



Reprinted  
April 9, 2005

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# ENGROSSED

## HOUSE BILL No. 1001

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DIGEST OF HB 1001 (Updated April 8, 2005 5:24 pm - DI 58)

**Citations Affected:** IC 4; IC 5; IC 6; IC 8; IC 9; IC 10; IC 11; IC 12; IC 14; IC 16; IC 20; IC 21; IC 23; IC 25; IC 27; IC 29; IC 31; IC 32; IC 33; IC 34; noncode.

**Synopsis:** State budget. Appropriates money to carry on state government and make various distributions to schools and other political subdivisions. Provides that the department of education rather than the professional standards board governs education, licensing, and professional development of teachers. Establishes a division within the department to administer these functions. Changes the current professional standards board into an advisory board to advise the state superintendent of public instruction, the state board of education, and the division of professional standards. Provides that the advisory board has rule-making authority. Establishes a fund to receive fee revenue. Provides for use of the fund for program administration. Repeals a redundant section and adds transitional provisions. Establishes an office of management and budget (OMB). Creates various duties of the OMB. Creates the position of OMB director as the state's chief financial officer responsible to the governor and for overseeing, coordinating, and having authority over budgeting, accounting, fiscal management, and spending functions now occurring within the various agencies, departments, and programs of state government. Establishes  
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**Effective:** July 1, 2004 (retroactive); January 1, 2005 (retroactive); upon passage; July 1, 2005.

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## Espich, Buell, Crawford, Cochran

(SENATE SPONSORS — MEEKS, SIMPSON, KENLEY, HUME)

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January 6, 2005, read first time and referred to Committee on Ways and Means.  
February 15, 2005, amended reported — Do Pass.  
February 17, 2005, read second time, amended, ordered engrossed.  
February 18, 2005, engrossed.  
February 21, 2005, read third time, passed. Yeas 52, nays 48.

SENATE ACTION

February 24, 2005, read first time and referred to Committee on Appropriations.  
March 31, 2005, amended, reported — Do Pass.  
April 8, 2005, read second time, amended, ordered engrossed.

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a division of government efficiency and financial planning within the OMB. Provides that the OMB has direct responsibility for the functions of the budget agency, the department of state revenue, the department of local government finance, and the public finance office. Provides that the state examiner and the state board of account deputies serve at the Governor's pleasure. Makes the appointment of a deputy commissioner of the department of local government finance permissive rather than mandatory. Allows the state board of finance to transfer appropriations to the Indiana economic development corporation. Provides for quarterly (versus semi-annual) billings by the state for incarcerating juveniles. Makes the rate \$60 per day. Provides that special integrated steel mill equipment property tax valuation applies only if the mill produces steel in a blast furnace in Indiana. Provides a local homestead credit option for political subdivisions. Extends the earned income tax credit through December 31, 2011. Provides that after June 30, 2005, the state may intercept PTRC distributions to pay the amount owed if a county fails to pay within six months after being billed. Provides a 4 year repayment schedule for amounts owed as of June 30, 2005. Allows the budget agency to prescribe policies for the disposal of surplus property by the state. Provides that the Lake county income tax credit for certain homesteads is paid back after the 2002 base year guarantee. Provides that for taxable years beginning after December 31, 2004, references in Indiana law to the Internal Revenue Code (IRC) and related regulations refer to the law and regulations in effect on January 1, 2005. Indicates that the law that requires certain bonus depreciation allowed for federal income tax purposes to be added back for state tax purposes applies to the special depreciation allowance for 50-percent bonus depreciation property. Requires that "Section 179 property" deductions in excess of \$25,000 per year that are allowed for federal income tax purposes be added back for state tax purposes. Requires a taxpayer to add back the amount that the taxpayer deducted for domestic production activities for purposes of the taxpayer's federal income tax. Provides a noncode update to the IRC for taxable years beginning after December 31, 2003, and before January 1, 2005. Grandfathers a resolution regarding airport development zones and allows the airport authority board to determine the portion of tax proceeds that will be allocated to a debt service fund and dedicated to the payment of principal and interest on bonds of the airport authority with the remainder dedicated to the reimbursement of expenditures made for a qualified airport development project. Extends the deposit of \$0.50 of the BMV service charge for vehicle registration in the BMV technology fund. Establishes maximum caseload ratios for child protection caseworkers. Requires local child protection services to maintain sufficient staff to comply with the maximum caseload ratios. Requires the division of family and children to: (1) report to the budget committee and legislative council concerning child protection caseworker caseloads every three months; and (2) report to legislative council and to the health finance commission concerning education levels and salaries of child protection caseworkers and supervisors of child protection caseworkers. Under the first steps program: Specifies the state is the payor of last resort. Modifies the copayment and monthly maximum benefit under the cost participation plan.. Eliminates the \$3,500 annual maximum under the program and for health insurance coverage for services under the program. Eliminates the discretion to waive a required copayment if the program receives payment from the family's health care coverage. Under the Medicaid program and the office of medicaid policy and planning (OMPP): Allows OMPP to designate and a recipient to use a mail order pharmacy, an Internet pharmacy, or a pharmacy matching the same price for maintenance drugs. Eliminates chiropractic services for children under twelve unless it is medically necessary. Requires OMPP to designate dental services requiring prior authorization. Eliminates a limitation on the office collecting from the estate of a surviving

(Continued next page)



spouse only the amount in the deceased Medicaid recipient's probate estate. Changes the deadline from 30 to 60 days in which OMPP has to foreclose on a lien. Repeals the \$75,000 limit on the office's enforcement of a lien to real property in which a Medicaid recipient has an interest. Changes the community spouse asset calculation. Allows the office to recover from annuity payments purchased with the assets of a Medicaid recipient or the Medicaid recipient's spouse. Under the C.H.O.I.C.E. program: Conditions eligibility on having assets of less than \$500,000, being unable to perform three activities of daily living (instead of two), and first being denied eligibility for Medicaid services. Establishes presumptive eligibility and temporary services in certain circumstances. Requires FSSA to set rates paid to providers under C.H.O.I.C.E. Requires reports concerning First Steps and C.H.O.I.C.E. Transfers powers to set fees under the natural resources laws to the natural resources commission. Changes the names of all the campuses of the school of medicine. Increases various higher education capital project thresholds with respect to budget agency approval and budget committee review. Requires the commission for higher education to establish standards for the transfer of courses between state educational institutions. Requires a state educational institution to offer to resident undergraduate students a guaranteed price option under which tuition cannot be increased, with certain exceptions, during two academic years. Restores the \$30,000,000 per year of lottery surpluses to the pension stabilization fund (PSF). Provides that members of the teachers' retirement fund (TRF) who were members of the pre-1996 account but because of re-employment before July 1, 2005, are in the 1996 account remain in the 1996 account. Provides for an allocation from the PSF to cover the liability for these members. Provides that current pre-1996 account members are not be transferred to the 1996 account even if they are re-employed or employed by a different school corporation after June 30, 2005. Requires the public employees' retirement fund (PERF) board and the TRF board (for the pre-1996 account) to set the employer contribution at the actuarial rate using normal cost plus 30 year amortization or a shorter amortization period if requested by the budget agency or governor. Requires inclusion of the actuarial cost for any cost of living increases in determining annual appropriation growth for the pre-1996 account. Extends the minimum monthly pension benefit of \$180 for certain retired members of PERF to members who retired before December 1, 2004 (instead of December 1, 2003). Provides certain retired members of PERF a supplemental "thirteenth check" in 2005 and a cost of living adjustment in 2006. Provides a cost of living adjustment for members, survivors, and beneficiaries of TRF in 2006. Establishes a school funding formula and makes certain other changes concerning education finance. Combines several categorical grants into a distribution for discretionary spending. Allows nonpublic schools accredited by DOE to receive up to 5% of the distribution. Requires a school corporation to use money received as an academic honors diploma award for expenditures directly related to the school corporation's academic honors diploma program and program for high ability students. Repeals obsolete provisions and a provision limiting charter school funding. Transfers a referendum tax levy imposed by the Lafayette Community School Corporation from the general fund to the referendum tax levy fund. Allows a school corporation obligated to repay a loan extended under IC 6-1.1-28.1 to make loan payments from the school corporation's debt service fund. Allows schools to levy a property tax to pay unreimbursed textbook costs for students eligible for a free or reduced lunch. Increases from \$100 to \$200 the maximum amount of per diem a senior judge may receive after serving the first 30 days of service in a year. Transfers abandoned property proceeds and the abandoned property fund balance over \$500,000 to the state general fund instead of the common school fund. Provides bonding authority for higher education construction projects. Adds a superior court in Vigo county. Adds a magistrate in Madison and Perry counties.





First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular or Special Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1001

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

**SECTION 1. [EFFECTIVE JULY 1, 2005]**

**(a) The following definitions apply throughout this act:**

**(1) "Augmentation allowed" means the governor and the budget agency are authorized to add to an appropriation in this act from revenues accruing to the fund from which the appropriation was made.**

**(2) "Biennium" means the period beginning July 1, 2005, and ending June 30, 2007. Appropriations appearing in the biennial column for construction or other permanent improvements do not revert under IC 4-13-2-19 and may be allotted.**

**(3) "Deficiency appropriation" or "special claim" means an appropriation available during the 2004-2005 fiscal year.**

**(4) "Equipment" includes machinery, implements, tools, furniture, furnishings, vehicles, and other articles that have a calculable period of service that exceeds twelve (12) calendar months.**

**(5) "Fee replacement" includes payments to universities to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes.**

**(6) "Other operating expense" includes payments for "services other than personal", "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds, and awards", "in-state travel", "out-of-state travel", and "equipment".**



(7) "Pension fund contributions" means the state of Indiana's contributions to a specific retirement fund.

(8) "Personal services" includes payments for salaries and wages to officers and employees of the state (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, dental insurance, vision insurance, deferred compensation - state match, leave conversion, disability, and retirement fund contributions.

(9) "SSBG" means the Social Services Block Grant. This was formerly referred to as "Title XX".

(10) "State agency" means:

- (A) each office, officer, board, commission, department, division, bureau, committee, fund, agency, authority, council, or other instrumentality of the state;
- (B) each hospital, penal institution, and other institutional enterprise of the state;
- (C) the judicial department of the state; and
- (D) the legislative department of the state.

However, this term does not include cities, towns, townships, school cities, school townships, school districts, other municipal corporations or political subdivisions of the state, or universities and colleges supported in whole or in part by state funds.

(11) "Total operating expense" includes payments for both "personal services" and "other operating expense".

(b) The state board of finance may authorize advances to boards or persons having control of the funds of any institution or department of the state of a sum of money out of any appropriation available at such time for the purpose of establishing working capital to provide for payment of expenses in the case of emergency when immediate payment is necessary or expedient. Advance payments shall be made by warrant by the auditor of state, and properly itemized and receipted bills or invoices shall be filed by the board or persons receiving the advance payments.

(c) All money appropriated by this act shall be considered either a direct appropriation or an appropriation from a rotary or revolving fund.

(1) Direct appropriations are subject to withdrawal from the state treasury and for expenditure for such purposes, at such time, and in such manner as may be prescribed by law. Direct appropriations are not subject to return and rewithdrawal from the state treasury, except for the correction of an error which may have occurred in any transaction or for reimbursement of expenditures which have occurred in the same fiscal year.

(2) A rotary or revolving fund is any designated part of a fund that is set apart as working capital in a manner prescribed by law and devoted to a specific purpose or purposes. The fund consists of earnings and income only from certain sources or a combination thereof. The money in the fund shall be used for the purpose designated by law as working capital. The fund at any time consists of the original appropriation thereto, if any, all receipts accrued to the fund, and all money withdrawn from the fund and invested or to be invested. The fund shall be kept intact by separate entries in the auditor of state's office, and no part thereof shall be used for any purpose other than the lawful purpose of the fund or revert to any other fund at any time. However, any unencumbered excess above any prescribed amount shall be transferred to the state general fund at the close of each fiscal year unless otherwise specified in the Indiana Code.



**SECTION 2. [EFFECTIVE JULY 1, 2005]**

For the conduct of state government, its offices, funds, boards, commissions, departments, societies, associations, services, agencies, and undertakings, and for other appropriations not otherwise provided by statute, the following sums in SECTIONS 3 through 10 are appropriated for the periods of time designated from the general fund of the state of Indiana or other specifically designated funds.

In this act, whenever there is no specific fund or account designated, the appropriation is from the general fund.

**SECTION 3. [EFFECTIVE JULY 1, 2005]**

**GENERAL GOVERNMENT**

**A. LEGISLATIVE**

**FOR THE GENERAL ASSEMBLY**

**LEGISLATORS' SALARIES - HOUSE**

Total Operating Expense	5,013,333	5,014,333
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**HOUSE EXPENSES**

Total Operating Expense	7,803,042	7,806,100
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**LEGISLATORS' SALARIES - SENATE**

Total Operating Expense	1,140,203	1,232,406
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**SENATE EXPENSES**

Total Operating Expense	8,406,750	8,826,192
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Included in the above appropriations for house and senate expenses are funds for a legislative business per diem allowance, meals, and other usual and customary expenses associated with legislative affairs. Except as provided below, this allowance is to be paid to each member of the general assembly for every day, including Sundays, during which the general assembly is convened in regular or special session, commencing with the day the session is officially convened and concluding with the day the session is adjourned sine die. However, after five (5) consecutive days of recess, the legislative business per diem allowance is to be made on an individual voucher basis until the recess concludes.

Members of the general assembly are entitled, when authorized by the speaker of the house or the president pro tempore of the senate, to the legislative business per diem allowance for each and every day engaged in official business.

The legislative business per diem allowance that each member of the general assembly is entitled to receive equals the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area. The legislative business per diem changes each time there is a change in that maximum daily amount.

In addition to the legislative business per diem allowance, each member of the general



assembly shall receive the mileage allowance in an amount equal to the standard mileage rates for personally owned transportation equipment established by the federal Internal Revenue Service for each mile necessarily traveled from the member's usual place of residence to the state capitol. However, if the member traveled by a means other than by motor vehicle, and the member's usual place of residence is more than one hundred (100) miles from the state capitol, the member is entitled to reimbursement in an amount equal to the lowest air travel cost incurred in traveling from the usual place of residence to the state capitol. During the period the general assembly is convened in regular or special session, the mileage allowance shall be limited to one (1) round trip each week per member.

Any member of the general assembly who is appointed, either by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or Indiana legislative council to serve on any research, study, or survey committee or commission, or who attends any meetings authorized or convened under the auspices of the Indiana legislative council, including pre-session conferences and federal-state relations conferences, is entitled, when authorized by the legislative council, to receive the legislative business per diem allowance for each day in actual attendance and is also entitled to a mileage allowance, at the rate specified above, for each mile necessarily traveled from the member's usual place of residence to the state capitol, or other in-state site of the committee, commission, or conference. The per diem allowance and the mileage allowance permitted under this paragraph shall be paid from the legislative council appropriation for legislator and lay member travel unless the member is attending an out-of-state meeting, as authorized by the speaker of the house of representatives or the president pro tempore of the senate, in which case the member is entitled to receive:

- (1) the legislative business per diem allowance for each day the member is engaged in approved out-of-state travel; and
- (2) reimbursement for traveling expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the legislative council.

Notwithstanding the provisions of this or any other statute, the legislative council may adopt, by resolution, travel policies and procedures that apply only to members of the general assembly or to the staffs of the house of representatives, senate, and legislative services agency, or both members and staffs. The legislative council may apply these travel policies and procedures to lay members serving on research, study, or survey committees or commissions that are under the jurisdiction of the legislative council. Notwithstanding any other law, rule, or policy, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency do not apply to members of the general assembly, to the staffs of the house of representatives, senate, or legislative services agency, or to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council (if the legislative council applies its travel policies and procedures to lay members under the authority of this SECTION), except that, until the legislative council adopts travel policies and procedures, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency apply to members of the general assembly, to the staffs of the house of representatives, senate, and legislative





services agency, and to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council. The executive director of the legislative services agency is responsible for the administration of travel policies and procedures adopted by the legislative council. The auditor of state shall approve and process claims for reimbursement of travel related expenses under this paragraph based upon the written affirmation of the speaker of the house of representatives, the president pro tempore of the senate, or the executive director of the legislative services agency that those claims comply with the travel policies and procedures adopted by the legislative council. If the funds appropriated for the house and senate expenses and legislative salaries are insufficient to pay all the necessary expenses incurred, including the cost of printing the journals of the house and senate, there is appropriated such further sums as may be necessary to pay such expenses.

#### LEGISLATORS' SUBSISTENCE

##### LEGISLATORS' EXPENSES - HOUSE

Total Operating Expense	2,015,396	2,015,396
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##### LEGISLATORS' EXPENSES - SENATE

Total Operating Expense	1,046,728	1,046,728
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Each member of the general assembly is entitled to a subsistence allowance of forty percent (40%) of the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area:

- (1) each day that the general assembly is not convened in regular or special session; and
- (2) each day after the first session day held in November and before the first session day held in January.

However, the subsistence allowance under subdivision (2) may not be paid with respect to any day after the first session day held in November and before the first session day held in January with respect to which all members of the general assembly are entitled to a legislative business per diem.

The subsistence allowance is payable from the appropriations for legislators' subsistence.

The officers of the senate are entitled to the following amounts annually in addition to the subsistence allowance: president pro tempore, \$6,500; assistant president pro tempore, \$2,500; majority floor leader emeritus, \$1,500; majority floor leader, \$5,000; assistant majority floor leader, \$1,000; majority caucus chair, \$5,000; assistant majority caucus chair, \$1,000; appropriations committee chair, \$5,000; tax and fiscal policy committee chair, \$5,000; appropriations committee ranking majority member, \$1,500; tax and fiscal policy committee ranking majority member, \$1,500; majority whip, \$3,500; assistant majority whip, \$1,000; minority floor leader, \$5,500; minority leader pro tempore, \$1,000; minority caucus chair, \$4,500; minority assistant floor leader, \$4,500; appropriations committee ranking minority member, \$2,000; tax and fiscal policy committee ranking minority member, \$2,000; minority whip, \$2,500; assistant minority whip, \$500; and assistant minority caucus chair, \$500.



Officers of the house of representatives are entitled to the following amounts annually in addition to the subsistence allowance: speaker of the house, \$6,500; speaker pro tempore, \$5,000; deputy speaker pro tempore, \$1,500; majority leader, \$5,000; majority caucus chair, \$5,000; assistant majority caucus chair, \$1,000; ways and means committee chair, \$5,000; ways and means committee ranking majority member, \$3,000; ways and means committee, chairman of the education subcommittee, \$1,500; speaker pro tempore emeritus, \$1,500; budget subcommittee chair, \$3,000; majority whip, \$3,500; assistant majority whip, \$1,000; assistant majority leader, \$1,000; minority leader, \$5,500; minority caucus chair, \$4,500; ways and means committee ranking minority member, \$3,500; minority whip, \$2,500; assistant minority leader, \$4,500; second assistant minority leader, \$1,500; and deputy assistant minority leader, \$1,000.

If the senate or house of representatives eliminates a committee or officer referenced in this SECTION, and replaces the committee or officer with a new committee or position, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer. However, this does not permit any additional amounts to be paid under this SECTION for a replacement committee or officer than would have been spent for the eliminated committee or officer. If the senate or house of representatives creates a new additional committee or officer, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer in amounts determined by the legislative council.

If the funds appropriated for legislators' subsistence are insufficient to pay all the subsistence incurred, there are hereby appropriated such further sums as may be necessary to pay such subsistence.

**FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY**

Total Operating Expense	8,475,000	8,880,000
<b>LEGISLATOR AND LAY MEMBER TRAVEL</b>		
Total Operating Expense	570,000	570,000

If the funds above appropriated for the legislative council and the legislative services agency and legislator and lay member travel are insufficient to pay all the necessary expenses incurred, there are hereby appropriated such further sums as may be necessary to pay those expenses.

Any person other than a member of the general assembly who is appointed by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or legislative council to serve on any research, study, or survey committee or commission is entitled, when authorized by the legislative council, to a per diem instead of subsistence of \$75 per day during the 2005-2007 biennium. In addition to the per diem, such a person is entitled to mileage reimbursement, at the rate specified for members of the general assembly, for each mile necessarily traveled from the person's usual place of residence to the state capitol or other in-state site of the committee, commission, or conference. However, reimbursement for any out-of-state travel expenses claimed by lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council shall be based on SECTION 14 of this act, until the legislative council applies those travel policies and procedures that govern legislators and their staffs to



such lay members as authorized elsewhere in this SECTION. The allowance and reimbursement permitted in this paragraph shall be paid from the legislative council appropriations for legislative and lay member travel unless otherwise provided for by a specific appropriation.

#### LEGISLATIVE COUNCIL CONTINGENCY FUND

Total Operating Expense	223,614
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Disbursements from the fund may be made only for purposes approved by the chairman and vice chairman of the legislative council.

The legislative services agency shall charge the following fees, unless the legislative council sets these or other fees at different rates:

Annual subscription to the session document service for sessions ending in odd-numbered years: \$900

Annual subscription to the session document service for sessions ending in even-numbered years: \$500

Per page charge for copies of legislative documents: \$0.15

Annual charge for interim calendar: \$10

Daily charge for the journal of either house: \$2

#### PRINTING AND DISTRIBUTION

Total Operating Expense	750,000	840,000
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The above funds are appropriated for the printing and distribution of documents published by the legislative council. These documents include journals, bills, resolutions, enrolled documents, the acts of the first and second regular sessions of the 114th general assembly, the supplements to the Indiana Code for fiscal years 2005-2006 and 2006-2007, and the publication of the Indiana Administrative Code and the Indiana Register. Upon completion of the distribution of the Acts and the supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may be sold at a price or prices periodically determined by the legislative council. If the above appropriations for the printing and distribution of documents published by the legislative council are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses.

#### COUNCIL OF STATE GOVERNMENTS ANNUAL DUES

Other Operating Expense	130,084	134,637
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#### NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES

Other Operating Expense	155,109	161,313
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#### NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES

Other Operating Expense	10,000	10,000
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#### FOR THE INDIANA LOBBY REGISTRATION COMMISSION



1	<b>Total Operating Expense</b>	<b>218,285</b>	<b>218,395</b>
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3 **FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND**

4 **LEGISLATORS' RETIREMENT FUND**

5	<b>Total Operating Expense</b>	<b>100,000</b>	<b>100,000</b>
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7 **B. JUDICIAL**

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9 **FOR THE SUPREME COURT**

10	<b>Personal Services</b>	<b>5,807,737</b>	<b>5,918,803</b>
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11	<b>Other Operating Expense</b>	<b>1,601,800</b>	<b>1,601,800</b>
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13 **The above appropriation for the supreme court personal services includes the subsistence allowance as provided by IC 33-38-5-8.**

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16 **LOCAL JUDGES' SALARIES**

17	<b>Personal Services</b>	<b>44,815,006</b>	<b>45,535,562</b>
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18	<b>Other Operating Expense</b>	<b>39,000</b>	<b>39,000</b>
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19 **COUNTY PROSECUTORS' SALARIES**

20	<b>Personal Services</b>	<b>19,529,409</b>	<b>19,833,721</b>
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21	<b>Other Operating Expense</b>	<b>31,000</b>	<b>31,000</b>
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23 **The above appropriations for county prosecutors' salaries represent the amounts authorized by IC 33-39-6-5 and that are to be paid from the state general fund.**

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26 **In addition to the appropriations for local judges' salaries and for county prosecutors' salaries, there are hereby appropriated for personal services the amounts that the state is required to pay for salary changes or for additional courts created by the 114th general assembly.**

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31 **TRIAL COURT OPERATIONS**

32	<b>Total Operating Expense</b>	<b>353,500</b>	<b>353,500</b>
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33 **INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY**

34	<b>Total Operating Expense</b>	<b>625,000</b>	<b>625,000</b>
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36 **The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-13-7.**

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39 **PUBLIC DEFENDER COMMISSION**

40	<b>Total Operating Expense</b>	<b>4,600,000</b>	<b>4,600,000</b>
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42 **The above appropriation is made in addition to the distribution authorized by IC 33-37-7-9(c) for the purpose of reimbursing counties for indigent defense services provided to a defendant. The division of state court administration of the supreme court of Indiana shall provide staff support to the commission and shall administer the public defense fund. The administrative costs may come from the public defense fund. Any balance in the public defense fund is appropriated to the public defender commission.**

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**1 GUARDIAN AD LITEM**

<b>2 Total Operating Expense</b>	<b>802,325</b>	<b>804,133</b>
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**4 The division of state court administration shall use the foregoing appropriation**  
**5 to administer an office of guardian ad litem and court appointed special advocate**  
**6 services and to provide matching funds to counties that are required to implement,**  
**7 in courts with juvenile jurisdiction, a guardian ad litem and court appointed special**  
**8 advocate program for children who are alleged to be victims of child abuse or neglect**  
**9 under IC 31-33 and to administer the program. A county may use these matching funds**  
**10 to supplement amounts collected as fees under IC 31-40-3 to be used for the operation**  
**11 of guardian ad litem and court appointed special advocate programs. The county fiscal**  
**12 body shall appropriate adequate funds for the county to be eligible for these matching**  
**13 funds.**

**14**

**15 CIVIL LEGAL AID**

<b>16 Total Operating Expense</b>	<b>1,000,000</b>	<b>1,000,000</b>
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**17**

**18 The above funds are appropriated to the division of state court administration in**  
**19 compliance with the provisions of IC 33-24-12-7.**

**20**

**21 SPECIAL JUDGES - COUNTY COURTS**

<b>22 Personal Services</b>	<b>15,000</b>	<b>15,000</b>
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<b>23 Other Operating Expense</b>	<b>119,000</b>	<b>119,000</b>
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**24**

**25 If the funds appropriated above for special judges of county courts are insufficient**  
**26 to pay all of the necessary expenses that the state is required to pay under IC 34-35-1-4,**  
**27 there are hereby appropriated such further sums as may be necessary to pay these**  
**28 expenses.**

**29**

**30 COMMISSION ON RACE AND GENDER FAIRNESS**

<b>31 Total Operating Expense</b>	<b>260,996</b>	<b>260,996</b>
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**32**

**33 FOR THE CLERK OF THE SUPREME AND APPELLATE COURTS**

<b>34 Personal Services</b>	<b>752,945</b>	<b>753,505</b>
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<b>35 Other Operating Expense</b>	<b>185,070</b>	<b>185,070</b>
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**36**

**37 FOR THE COURT OF APPEALS**

<b>38 Personal Services</b>	<b>7,564,555</b>	<b>7,645,870</b>
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<b>39 Other Operating Expense</b>	<b>1,183,820</b>	<b>1,183,220</b>
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**40**

**41 The above appropriations for the court of appeals personal services includes the**  
**42 subsistence allowance provided by IC 33-38-5-8.**

**43**

**44 FOR THE TAX COURT**

<b>45 Personal Services</b>	<b>469,342</b>	<b>476,583</b>
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<b>46 Other Operating Expense</b>	<b>123,272</b>	<b>123,272</b>
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**47**

**48 FOR THE JUDICIAL CENTER**

<b>49 Personal Services</b>	<b>1,230,853</b>	<b>1,260,061</b>
-----------------------------	------------------	------------------



1           Other Operating Expense

801,342

801,342

2

3       The above appropriations for the judicial center include the appropriations for the  
4       judicial conference.

5

6           **DRUG AND ALCOHOL PROGRAMS FUND**

7           Total Operating Expense

299,010

299,010

8

9       The above funds are appropriated under IC 33-37-7-9 for the purpose of administering,  
10       certifying, and supporting alcohol and drug services programs under IC 12-23-14.  
11       However, if the receipts are less than the appropriation, the center may not spend  
12       more than is collected.

13

14           **INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION**

15           Total Operating Expense

54,492

55,944

16           Augmentation allowed from fee increases enacted in the 2003 general assembly  
17           under IC 11-13-4.5-4.

18

19       **FOR THE PUBLIC DEFENDER**

20           Personal Services

5,242,831

5,385,118

21           Other Operating Expense

985,133

985,133

22

23       **FOR THE PUBLIC DEFENDER COUNCIL**

24           Personal Services

801,743

802,348

25           Other Operating Expense

318,009

318,009

26

27       **FOR THE PROSECUTING ATTORNEYS' COUNCIL**

28           Personal Services

533,169

533,549

29           Other Operating Expense

574,489

574,489

30

30       **DRUG PROSECUTION**

31           Drug Prosecution Fund (IC 33-39-8-6)

32           Total Operating Expense

103,436

103,436

33           Augmentation allowed.

34

35       **FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND**

36           **JUDGES' RETIREMENT FUND**

37           Other Operating Expense

8,800,000

9,500,000

38           **PROSECUTORS' RETIREMENT FUND**

39           Other Operating Expense

170,000

190,000

40

41       **C. EXECUTIVE**

42

43       **FOR THE GOVERNOR'S OFFICE**

44           Personal Services

2,160,617

2,162,265

45           Other Operating Expense

125,904

125,904

46

46       **GOVERNOR'S RESIDENCE**

47           Total Operating Expense

179,657

179,761

48

48       **GOVERNOR'S CONTINGENCY FUND**

49           Total Operating Expense

170,000



Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

**GOVERNOR'S FELLOWSHIP PROGRAM**

Total Operating Expense	170,000	170,000
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**FOR THE WASHINGTON LIAISON OFFICE**

Total Operating Expense	195,000	195,000
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**FOR THE LIEUTENANT GOVERNOR**

Personal Services	1,645,075	1,645,621
-------------------	-----------	-----------

Other Operating Expense	788,725	788,725
-------------------------	---------	---------

**CONTINGENCY FUND**

Total Operating Expense		37,240
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Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

**FOR THE SECRETARY OF STATE**

**ADMINISTRATION**

Personal Services	378,199	378,488
-------------------	---------	---------

Other Operating Expense	23,429	23,429
-------------------------	--------	--------

**BUSINESS SERVICES**

Personal Services	853,317	853,897
-------------------	---------	---------

Other Operating Expense	136,976	136,976
-------------------------	---------	---------

**SECURITIES DIVISION**

Personal Services	774,806	775,356
-------------------	---------	---------

Other Operating Expense	97,061	95,694
-------------------------	--------	--------

**FOR THE ATTORNEY GENERAL**

**ATTORNEY GENERAL**

**From the General Fund**

12,662,763	12,662,764
------------	------------

**From the Motor Vehicle Odometer Fund (IC 9-29-1-5)**

89,211	89,211
--------	--------

**Augmentation allowed.**

**From the Medicaid Fraud Control Unit Fund**

576,065	585,123
---------	---------

**Augmentation allowed.**

**From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

250,000	250,000
---------	---------

**Augmentation allowed.**

**From the Abandoned Property Fund (IC 32-34-1-33)**

171,570	171,570
---------	---------

**Augmentation allowed.**

The amounts specified from the General Fund, Motor Vehicle Odometer Fund,



Medicaid Fraud Control Unit Fund, Tobacco Master Settlement Agreement Fund, and Abandoned Property Fund are for the following purposes:

Personal Services	12,578,568	12,587,627
Other Operating Expense	1,171,041	1,171,041

**HOMEOWNER PROTECTION UNIT (IC 4-6-12-9)**

Total Operating Expense	120,000	120,000
-------------------------	---------	---------

**MEDICAID FRAUD UNIT**

Total Operating Expense	829,356	829,789
-------------------------	---------	---------

The above appropriations to the Medicaid fraud unit are the state's matching share of the state Medicaid fraud control unit under IC 4-6-10 as prescribed by 42 U.S.C. 1396b(q). Augmentation allowed from collections.

**UNCLAIMED PROPERTY**

**Abandoned Property Fund (IC 32-34-1-33)**

Personal Services	1,080,199	1,080,926
Other Operating Expense	3,439,706	3,439,706

Augmentation allowed.

**D. FINANCIAL MANAGEMENT**

**FOR THE AUDITOR OF STATE**

Personal Services	4,484,169	4,487,428
Other Operating Expense	1,423,832	1,388,632

**TECHNOLOGY MODERNIZATION AND UPGRADE**

**Pay Phone Fund**

Total Operating Expense	600,000	600,000
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**GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS**

Total Operating Expense	125,000	125,000
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The above appropriations for governors' and governors' surviving spouses' pensions are made under IC 4-3-3.

**FOR THE STATE BOARD OF ACCOUNTS**

Personal Services	19,507,669	19,522,499
Other Operating Expense	1,348,860	1,348,860

**FOR THE STATE BUDGET COMMITTEE**

Total Operating Expense	60,000	60,000
-------------------------	--------	--------

Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of the budget committee is an amount equal to one hundred fifty percent (150%) of the legislative business per diem allowance. If the above appropriations are insufficient to carry out the necessary operations of the budget committee, there are hereby appropriated such further sums as may be necessary.

**FOR THE OFFICE OF MANAGEMENT AND BUDGET**





		<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	794,755	795,682	
2	Other Operating Expense	212,176	212,176	
3				
4	<b>FOR THE STATE BUDGET AGENCY</b>			
5	Personal Services	2,773,434	2,776,490	
6	Other Operating Expense	393,882	393,882	
7				
8	<b>BUILD INDIANA FUND ADMINISTRATION</b>			
9	Build Indiana Fund (IC 4-30-17)			
10	Other Operating Expense	1	1	
11				
12	<b>DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND</b>			
13	Total Operating Expense			10,000,000
14				
15	The foregoing departmental and institutional emergency contingency fund appropriation			
16	is subject to allotment to departments, institutions, and all state agencies by the			
17	budget agency with the approval of the governor. These allocations may be made upon			
18	written request of proper officials, showing that contingencies exist that require			
19	additional funds for meeting necessary expenses. The budget committee shall be advised			
20	of each transfer request and allotment.			
21				
22	<b>PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND</b>			
23	Total Operating Expense			89,000,000
24				
25	The foregoing personal services/fringe benefits contingency fund appropriation is			
26	subject to allotment to departments, institutions, and all state agencies by the			
27	budget agency with the approval of the governor.			
28				
29	The foregoing personal services/fringe benefits contingency fund appropriation may			
30	only be used for salary increases, fringe benefit increases, and for an employee leave			
31	conversion program for state employees in the 2005-2007 biennium and may not be			
32	used for any other purpose. The foregoing personal services/fringe benefits contingency			
33	fund appropriation does not revert at the end of the biennium but remains in the			
34	personal services/fringe benefits contingency fund.			
35				
36	<b>COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE</b>			
37	Total Operating Expense	30,500,000	32,200,000	
38	Augmentation Allowed			
39				
40	<b>SCHOOL AND LIBRARY INTERNET CONNECTION</b>			
41	Build Indiana Fund (IC 4-30-17)			
42	Other Operating Expense			7,000,000
43				
44	Of the foregoing appropriations \$2,300,000 each year shall be for schools under			
45	IC 4-34-3-4 and \$1,200,000 each year shall be used for libraries under IC 4-34-3-2.			
46				
47	<b>INSPIRE (IC 4-34-3-2)</b>			
48	Build Indiana Fund (IC 4-30-17)			
49	Other Operating Expense			2,500,000



**FOR THE TREASURER OF STATE**

<b>Personal Services</b>	<b>827,187</b>	<b>827,811</b>
<b>Other Operating Expense</b>	<b>42,350</b>	<b>42,350</b>

The treasurer of state, the board for depositories, the Indiana commission for higher education, and the state student assistance commission shall cooperate and provide to the Indiana education savings authority the following:

- (1) Clerical and professional staff and related support.
- (2) Office space and services.
- (3) Reasonable financial support for the development of rules, policies, programs, and guidelines, including authority operations and travel.

**E. TAX ADMINISTRATION**

**FOR THE DEPARTMENT OF REVENUE  
COLLECTION AND ADMINISTRATION**

**General Fund**

<b>50,713,568</b>	<b>48,553,653</b>
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**Motor Carrier Regulation Fund (IC 8-2.1-23)**

<b>770,021</b>	<b>770,021</b>
----------------	----------------

**Charity Gaming Enforcement Fund (IC 4-33-10)**

<b>988,951</b>	<b>988,951</b>
----------------	----------------

**Motor Vehicle Highway Account (IC 8-14-1)**

<b>2,374,180</b>	<b>2,374,180</b>
------------------	------------------

Augmentation allowed from the Motor Carrier Regulation Fund, Charity Gaming Enforcement Fund, and the Motor Vehicle Highway Account.

The amounts specified from the General Fund, Motor Carrier Regulation Fund, Charity Gaming Enforcement Fund, and the Motor Vehicle Highway Account are for the following purposes:

<b>Personal Services</b>	<b>40,414,374</b>	<b>40,442,835</b>
<b>Other Operating Expense</b>	<b>14,432,346</b>	<b>12,243,970</b>

With the approval of the governor and the budget agency, the department shall annually reimburse the state general fund for expenses incurred in support of the collection of dedicated fund revenue according to the department's cost allocation plan.

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department of state revenue from taxes and fees.

**OUTSIDE COLLECTIONS**

<b>Total Operating Expense</b>	<b>2,700,000</b>	<b>2,700,000</b>
--------------------------------	------------------	------------------

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue's outside collections may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent



(1.1%) of the amount of money collected by the department from taxes and fees.

### **MOTOR CARRIER REGULATION**

#### **Motor Carrier Regulation Fund (IC 8-2.1-23)**

Personal Services	1,519,316	1,519,920
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Other Operating Expense	3,796,100	3,796,100
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Augmentation allowed from the Motor Carrier Regulation Fund.

### **MOTOR FUEL TAX DIVISION**

#### **Motor Vehicle Highway Account (IC 8-14-1)**

Personal Services	8,643,079	8,649,105
-------------------	-----------	-----------

Other Operating Expense	1,062,900	1,062,900
-------------------------	-----------	-----------

Augmentation allowed from the Motor Vehicle Highway Account.

In addition to the foregoing appropriations, there is hereby appropriated to the department of revenue motor fuel tax division an amount sufficient to pay claims for refunds on license-fee-exempt motor vehicle fuel as provided by law. The sums above appropriated from the motor vehicle highway account for the operation of the motor fuel tax division, together with all refunds for license-fee-exempt motor vehicle fuel, shall be paid from the receipts of those license fees before they are distributed as provided by IC 6-6-1.1.

### **FOR THE INDIANA GAMING COMMISSION**

#### **State Gaming Fund (IC 4-33-13-3)**

Personal Services	2,134,159	2,135,732
-------------------	-----------	-----------

Other Operating Expense	689,500	689,500
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### **INVESTIGATION**

#### **State Gaming Fund (IC 4-33-13-3)**

Personal Services	875,000	875,000
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Other Operating Expense	454,450	454,450
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The foregoing appropriations to the Indiana gaming commission are made from revenues accruing to the state gaming fund under IC 4-33-13-3 before any distribution is made under IC 4-33-13-5.

Augmentation allowed.

The foregoing appropriations to the Indiana gaming commission are made instead of the appropriation made in IC 4-33-13-4.

The commission may employ or contract for inspectors and agents required under IC 4-33-4-3.5. The licensed owners shall, in the manner prescribed by the rules of the commission, reimburse the commission for the salaries and other expenses of the inspectors and agents who are required to be present during the time gambling operations are conducted on a riverboat.

### **FOR THE INDIANA HORSE RACING COMMISSION**

#### **Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)**

Personal Services	2,136,556	2,137,198
-------------------	-----------	-----------

Other Operating Expense	712,358	712,358
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by the office in compliance with a plan approved by the budget agency. Any money remaining in the fund at the end of any fiscal year does not revert to the general fund or any other fund but remains in the pay phone fund.

**FOR THE COMMISSION ON PUBLIC RECORDS**

Personal Services	1,328,319	1,329,301
Other Operating Expense	156,364	156,364

**FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR**

Personal Services	148,323	148,436
Other Operating Expense	5,134	5,134

**G. OTHER**

**FOR THE COMMISSION ON UNIFORM STATE LAWS**

Total Operating Expense	43,584	43,584
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**FOR THE OFFICE OF INSPECTOR GENERAL**

Personal Services	1,010,968	1,011,268
Other Operating Expense	134,096	134,096

**FOR THE STATE ETHICS COMMISSION**

Personal Services	260,816	261,006
Other Operating Expense	2,596	2,596

**FOR THE SECRETARY OF STATE**

**ELECTION DIVISION**

Personal Services	652,669	653,145
Other Operating Expense	202,907	202,907

**ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS (HAVA TITLE II)**

Total Operating Expense	688,880	0
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**H. COMMUNITY SERVICES**

**FOR THE GOVERNOR'S OFFICE OF FAITH BASED & COMMUNITY INITIATIVES**

Personal Services	263,974	264,340
Other Operating Expense	76,869	76,869

**SECTION 4. [EFFECTIVE JULY 1, 2005]**

**PUBLIC SAFETY**

**A. CORRECTION**

**FOR THE DEPARTMENT OF CORRECTION**

**CENTRAL OFFICE**

Personal Services	8,365,099	8,371,234
Other Operating Expense	2,392,191	2,392,191

**ESCAPEE COUNSEL AND TRIAL EXPENSE**



		<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	Other Operating Expense	198,000	198,000	
2	<b>COUNTY JAIL MISDEMEANANT HOUSING</b>			
3	Total Operating Expense	4,281,101	4,281,101	
4	<b>ADULT CONTRACT BEDS</b>			
5	Total Operating Expense	10,235,735	10,235,735	
6	<b>STAFF DEVELOPMENT AND TRAINING</b>			
7	Personal Services	1,404,251	1,405,258	
8	Other Operating Expense	448,388	448,388	
9	<b>PAROLE DIVISION</b>			
10	Personal Services	5,749,346	5,753,450	
11	Other Operating Expense	804,943	804,943	
12	<b>PAROLE BOARD</b>			
13	Personal Services	552,124	552,544	
14	Other Operating Expense	35,590	35,590	
15	<b>INFORMATION MANAGEMENT SERVICES</b>			
16	Personal Services	2,364,202	2,366,020	
17	Other Operating Expense	1,922,620	1,922,620	
18	<b>JUVENILE TRANSITION</b>			
19	Personal Services	1,181,277	1,182,115	
20	Other Operating Expense	4,051,694	4,051,694	
21	<b>COMMUNITY CORRECTIONS PROGRAMS</b>			
22	Total Operating Expense			55,763,764
23				
24	The above appropriation for community corrections programs is not subject to transfer			
25	to any other fund or to transfer, assignment, or reassignment for any other use or			
26	purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23			
27	or by the budget agency notwithstanding IC 4-12-1-12, or any other law.			
28				
29	<b>DRUG PREVENTION AND OFFENDER TRANSITION</b>			
30	Total Operating Expense	988,293	988,487	
31				
32	The above appropriation shall be used for minimum security release programs, transition			
33	programs, mentoring programs, and supervision of and assistance to adult and juvenile			
34	offenders to promote the successful integration of the offender into the community.			
35				
36	<b>CENTRAL EMERGENCY RESPONSE</b>			
37	Personal Services	1,179,746	1,180,570	
38	Other Operating Expense	455,738	455,738	
39	<b>MEDICAL SERVICES</b>			
40	Other Operating Expense	27,260,811	27,260,811	
41				
42	The above appropriations for medical services shall be used only for services that are determined			
43	to be medically necessary.			
44				
45	<b>DRUG ABUSE PREVENTION</b>			
46	Drug Abuse Fund (IC 11-8-2-11)			
47	Personal Services	40,716	40,742	
48	Other Operating Expense	113,000	113,000	
49	Augmentation allowed.			



**COUNTY JAIL MAINTENANCE CONTINGENCY FUND**

<b>Other Operating Expense</b>	<b>17,281,044</b>	<b>17,281,044</b>
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Disbursements from the fund shall be made for the purpose of reimbursing sheriffs for the cost of incarcerating in county jails persons convicted of felonies to the extent that such persons are incarcerated for more than five (5) days after the day of sentencing, at the rate of \$35 per day. In addition to the per diem, the state shall reimburse the sheriffs for expenses determined by the sheriff to be medically necessary incurred in providing medical care to the convicted persons. However, if the sheriff or county receives money with respect to a convicted person (from a source other than the county), the per diem or medical expense reimbursement with respect to the convicted person shall be reduced by the amount received. A sheriff shall not be required to comply with IC 35-38-3-4(a) or transport convicted persons within five (5) days after the day of sentencing if the department of correction does not have the capacity to receive the convicted person.

Augmentation allowed.

**MEDICAL SERVICE PAYMENTS**

<b>Total Operating Expense</b>	<b>25,000,000</b>	<b>25,000,000</b>
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These appropriations for medical service payments are made to pay for services determined to be medically necessary for committed individuals, patients and students of institutions under the jurisdiction of the department of correction, the state department of health, the division of mental health, the school for the blind, the school for the deaf, or the division of disability, aging and rehabilitative services if the services are provided outside these institutions. These appropriations may not be used for payments for medical services that are covered by IC 12-16 unless these services have been approved under IC 12-16. These appropriations shall not be used for payment for medical services which are payable from an appropriation in this act for the state department of health, the division of mental health, the school for the blind, the school for the deaf, the division of disability, aging and rehabilitative services, or the department of correction, or that are reimbursable from funds for medical assistance under IC 12-15. If these appropriations are insufficient to make these medical service payments, there is hereby appropriated such further sums as may be necessary.

Direct disbursements from the above contingency fund are not subject to the provisions of IC 4-13-2.

**FOR THE DEPARTMENT OF ADMINISTRATION**

**DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU**

<b>Personal Services</b>	<b>135,966</b>	<b>136,067</b>
<b>Other Operating Expense</b>	<b>13,124</b>	<b>13,124</b>

**FOR THE DEPARTMENT OF CORRECTION**

**INDIANA STATE PRISON**

<b>Personal Services</b>	<b>28,327,153</b>	<b>28,345,171</b>
<b>Other Operating Expense</b>	<b>5,819,137</b>	<b>5,819,137</b>



1	<b>VOCATIONAL TRAINING PROGRAM</b>		
2	Total Operating Expense	257,291	257,291
3	<b>PENDLETON CORRECTIONAL FACILITY</b>		
4	Personal Services	28,133,124	28,152,801
5	Other Operating Expense	6,931,289	6,931,289
6	<b>CORRECTIONAL INDUSTRIAL FACILITY</b>		
7	Personal Services	19,842,899	19,856,310
8	Other Operating Expense	4,035,819	4,035,819
9	<b>INDIANA WOMEN'S PRISON</b>		
10	Personal Services	11,666,382	11,673,614
11	Other Operating Expense	1,928,211	1,928,211
12	<b>PUTNAMVILLE CORRECTIONAL FACILITY</b>		
13	Personal Services	28,542,062	28,561,207
14	Other Operating Expense	5,595,717	5,595,717
15	<b>WABASH VALLEY CORRECTIONAL FACILITY</b>		
16	Personal Services	38,442,605	38,467,484
17	Other Operating Expense	7,469,855	7,469,855
18	<b>PLAINFIELD JUVENILE CORRECTIONAL FACILITY</b>		
19	Personal Services	13,401,073	13,410,386
20	Other Operating Expense	2,386,012	2,386,012
21	<b>INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY</b>		
22	Personal Services	14,618,497	14,626,547
23	Other Operating Expense	1,711,469	1,711,469
24	<b>BRANCHVILLE CORRECTIONAL FACILITY</b>		
25	Personal Services	17,856,336	17,868,319
26	Other Operating Expense	2,945,374	2,945,374
27	<b>WESTVILLE CORRECTIONAL FACILITY</b>		
28	Personal Services	42,249,577	42,278,476
29	Other Operating Expense	7,690,288	7,690,288
30	<b>WESTVILLE MAXIMUM CONTROL FACILITY</b>		
31	Personal Services	5,428,434	5,432,101
32	Other Operating Expense	582,757	582,757
33	<b>ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN</b>		
34	Personal Services	15,746,198	15,757,032
35	Other Operating Expense	2,712,522	2,712,522
36	<b>PLAINFIELD CORRECTIONAL FACILITY</b>		
37	Personal Services	25,173,242	25,190,068
38	Other Operating Expense	5,464,545	5,464,545
39	<b>RECEPTION AND DIAGNOSTIC CENTER</b>		
40	Personal Services	11,780,995	11,789,124
41	Other Operating Expense	1,217,704	1,217,704
42	<b>MIAMI CORRECTIONAL FACILITY</b>		
43	Personal Services	28,785,622	28,804,798
44	Other Operating Expense	4,617,107	4,617,107
45	<b>NEW CASTLE CORRECTIONAL FACILITY</b>		
46	Personal Services	12,203,968	12,212,345
47	Other Operating Expense	2,779,105	2,779,105
48	<b>SOCIAL SERVICES BLOCK GRANT</b>		
49	General Fund		





1	<b>Total Operating Expense</b>	<b>9,948,380</b>	<b>9,955,962</b>
2	<b>Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)</b>		
3	<b>Total Operating Expense</b>	<b>466,014</b>	<b>466,014</b>
4	<b>Augmentation allowed from Work Release - Study Release Special Revenue Fund</b>		
5	<b>and Social Services Block Grant.</b>		
6	<b>HENRYVILLE CORRECTIONAL FACILITY</b>		
7	Personal Services	2,018,547	2,019,927
8	Other Operating Expense	379,381	379,381
9	<b>CHAIN O' LAKES CORRECTIONAL FACILITY</b>		
10	Personal Services	1,819,881	1,820,956
11	Other Operating Expense	380,606	380,606
12	<b>MEDARYVILLE CORRECTIONAL FACILITY</b>		
13	Personal Services	1,899,480	1,900,654
14	Other Operating Expense	330,727	330,727
15	<b>ATTERBURY CORRECTIONAL FACILITY</b>		
16	Personal Services	2,048,622	2,049,962
17	Other Operating Expense	350,351	350,351
18	<b>MADISON CORRECTIONAL FACILITY</b>		
19	Personal Services	3,114,891	3,116,892
20	Other Operating Expense	468,019	468,019
21	<b>EDINBURGH CORRECTIONAL FACILITY</b>		
22	Personal Services	2,849,220	2,851,122
23	Other Operating Expense	363,155	363,155
24	<b>LAKESIDE CORRECTIONAL FACILITY</b>		
25	Personal Services	4,904,199	4,907,478
26	Other Operating Expense	732,602	732,602
27	<b>FORT WAYNE JUVENILE CORRECTIONAL FACILITY</b>		
28	Personal Services	1,425,664	1,426,588
29	Other Operating Expense	436,233	436,233
30	<b>SOUTH BEND JUVENILE CORRECTIONAL FACILITY</b>		
31	Personal Services	4,343,067	4,345,596
32	Other Operating Expense	2,886,037	2,886,037
33	<b>LOGANSPOUT INTAKE/DIAGNOSTIC FACILITY</b>		
34	Personal Services	2,868,870	2,870,666
35	Other Operating Expense	536,690	536,690
36	<b>NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY</b>		
37	Personal Services	8,296,951	8,301,236
38	Other Operating Expense	1,294,293	1,294,293
39	<b>CAMP SUMMIT</b>		
40	Personal Services	2,545,249	2,546,766
41	Other Operating Expense	362,040	362,040
42	<b>PENDLETON JUVENILE CORRECTIONAL FACILITY</b>		
43	Personal Services	14,161,982	14,170,029
44	Other Operating Expense	2,530,172	2,530,172
45			
46	<b>B. LAW ENFORCEMENT</b>		
47			
48	<b>FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION</b>		
49	<b>From the General Fund</b>		



1                                   40,416,979   40,426,519  
 2       From the Motor Vehicle Highway Account (IC 8-14-1)  
 3                                   70,416,982   70,426,522  
 4       From the Motor Carrier Regulation Fund (IC 8-2.1-23)  
 5                                   4,025,699   4,026,788  
 6       Augmentation allowed from the general fund, the motor vehicle highway account,  
 7       and the motor carrier regulation fund.  
 8  
 9       The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the  
 10       Motor Carrier Regulation Fund are for the following purposes:  
 11  
 12                   Personal Services                           104,557,210       104,577,379  
 13                   Other Operating Expense                   10,302,450       10,302,450  
 14  
 15       The above appropriations for personal services and other operating expense include  
 16       funds to continue the state police minority recruiting program. In addition to any  
 17       funds that may be expended for accident reporting from the "accident report account"  
 18       under IC 9-29-11-1, there are included in the appropriations for Indiana state police  
 19       and motor carrier inspection such additional funds as necessary for administering  
 20       accident reporting as required under IC 9-26-3.  
 21  
 22       The foregoing appropriations for the Indiana state police and motor carrier inspection  
 23       include funds for the police security detail to be provided to the Indiana state  
 24       fair board. However, amounts actually expended to provide security for the Indiana state  
 25       fair board as determined by the budget agency shall be reimbursed by the Indiana  
 26       state fair board to the state general fund.  
 27  
 28       **ODOMETER FRAUD INVESTIGATION**  
 29           From the Motor Vehicle Odometer Fund (IC 9-29-1-5)  
 30                   Total Operating Expense                   95,841               95,841  
 31           Augmentation allowed.  
 32  
 33       **STATE POLICE TRAINING**  
 34           From the State Police Training Fund (IC 5-2-8-5)  
 35                   Total Operating Expense                   303,722               303,722  
 36           Augmentation allowed.  
 37  
 38       **FORENSIC AND HEALTH SCIENCES LABORATORIES**  
 39           From the Motor Vehicle Highway Account (IC 8-14-1)  
 40                   Personal Services                           2,683,888           2,685,880  
 41                   Other Operating Expense                   1,602,961           1,602,961  
 42           Augmentation allowed.  
 43       **ENFORCEMENT AID**  
 44           From the General Fund  
 45                   Total Operating Expense                   40,000               40,000  
 46  
 47           From the Motor Vehicle Highway Account (IC 8-14-1)  
 48                   Total Operating Expense                   40,000               40,000  
 49



The above appropriations for enforcement aid are to meet unforeseen emergencies of a confidential nature. They are to be expended under the direction of the superintendent and to be accounted for solely on the superintendent's authority.

#### **PENSION FUND**

##### **From the General Fund**

<b>Total Operating Expense</b>	<b>3,800,302</b>	<b>6,087,313</b>
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##### **From the Motor Vehicle Highway Account (IC 8-14-1)**

<b>Total Operating Expense</b>	<b>3,800,306</b>	<b>6,087,318</b>
--------------------------------	------------------	------------------

The above appropriations shall be paid into the state police pension fund provided for in IC 10-12-2 in twelve (12) equal installments on or before July 30 and on or before the 30th of each succeeding month thereafter.

#### **BENEFIT FUND**

##### **From the General Fund**

<b>Total Operating Expense</b>	<b>1,513,750</b>	<b>1,513,750</b>
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Augmentation allowed.

##### **From the Motor Vehicle Highway Account (IC 8-14-1)**

<b>Total Operating Expense</b>	<b>1,513,750</b>	<b>1,513,750</b>
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Augmentation allowed.

All benefits that accrue to members shall be paid by warrant drawn on the treasurer of state by the auditor of state on the basis of claims filed and approved by the trustees of the state police pension and benefit funds created by IC 10-12-2.

#### **SUPPLEMENTAL PENSION**

##### **General Fund**

<b>Total Operating Expense</b>	<b>1,437,500</b>	<b>1,437,500</b>
--------------------------------	------------------	------------------

Augmentation allowed.

##### **Motor Vehicle Highway Account (IC 8-14-1)**

<b>Total Operating Expense</b>	<b>1,437,500</b>	<b>1,437,500</b>
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Augmentation allowed.

If the above appropriations for supplemental pension for any one (1) year are greater than the amount actually required under the provisions of IC 10-12-5, then the excess shall be returned proportionately to the funds from which the appropriations were made. If the amount actually required under IC 10-12-5 is greater than the above appropriations, then, with the approval of the governor and the budget agency, those sums may be augmented from the general fund and the motor vehicle highway account.

#### **ACCIDENT REPORTING**

##### **Accident Report Account (IC 9-29-11-1)**

<b>Total Operating Expense</b>	<b>91,140</b>	<b>91,140</b>
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Augmentation allowed.

#### **DRUG INTERDICTION**

##### **Drug Interdiction Fund (IC 10-11-7)**



	<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	<b>Total Operating Expense</b>	<b>273,420</b>	<b>273,420</b>
2	<b>Augmentation allowed.</b>		
3			
4	<b>FOR THE INTEGRATED PUBLIC SAFETY COMMISSION</b>		
5	<b>PROJECT SAFE-T</b>		
6	<b>Integrated Public Safety Communications Fund (IC 5-26-4-1)</b>		
7	<b>Total Operating Expense</b>	<b>13,205,269</b>	<b>13,205,269</b>
8	<b>Augmentation allowed.</b>		
9			
10	<b>FOR THE ADJUTANT GENERAL</b>		
11	<b>Personal Services</b>	<b>9,659,149</b>	<b>7,946,862</b>
12	<b>Other Operating Expense</b>	<b>3,595,193</b>	<b>2,790,351</b>
13	<b>NAVAL FORCES</b>		
14	<b>Personal Services</b>	<b>149,991</b>	<b>150,089</b>
15	<b>Other Operating Expense</b>	<b>68,983</b>	<b>68,983</b>
16	<b>DISABLED SOLDIERS' PENSION</b>		
17	<b>Other Operating Expense</b>	<b>16,507</b>	<b>16,507</b>
18	<b>GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND</b>		
19	<b>Total Operating Expense</b>		<b>707,340</b>
20			
21	<b>The above appropriations for the adjutant general governor's civil and military contingency</b>		
22	<b>fund are made under IC 10-16-11-1.</b>		
23			
24	<b>FOR THE CRIMINAL JUSTICE INSTITUTE</b>		
25	<b>ADMINISTRATIVE MATCH</b>		
26	<b>Total Operating Expense</b>	<b>440,467</b>	<b>440,467</b>
27	<b>DRUG ENFORCEMENT MATCH</b>		
28	<b>Total Operating Expense</b>	<b>2,096,955</b>	<b>2,096,955</b>
29	<b>VICTIM AND WITNESS ASSISTANCE FUND</b>		
30	<b>Victim and Witness Assistance Fund (IC 5-2-6-14)</b>		
31	<b>Total Operating Expense</b>	<b>591,132</b>	<b>591,132</b>
32	<b>Augmentation allowed.</b>		
33	<b>ALCOHOL AND DRUG COUNTERMEASURES</b>		
34	<b>Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)</b>		
35	<b>Total Operating Expense</b>	<b>516,558</b>	<b>516,558</b>
36	<b>Augmentation allowed.</b>		
37	<b>STATE DRUG FREE COMMUNITIES FUND</b>		
38	<b>State Drug Free Communities Fund (IC 5-2-10-2)</b>		
39	<b>Total Operating Expense</b>	<b>501,099</b>	<b>501,099</b>
40	<b>Augmentation allowed.</b>		
41	<b>INDIANA SAFE SCHOOLS</b>		
42	<b>General Fund</b>		
43	<b>Total Operating Expense</b>	<b>1,660,300</b>	<b>1,660,300</b>
44	<b>Indiana Safe Schools Fund (IC 5-2-10.1-2)</b>		
45	<b>Total Operating Expense</b>	<b>406,700</b>	<b>406,700</b>
46	<b>Augmentation allowed from Indiana Safe Schools Fund.</b>		
47			
48	<b>Of the above appropriations for the Indiana safe schools program, \$1,317,000 is appropriated</b>		
49	<b>annually to provide grants to school corporations for school safe haven programs,</b>		



emergency preparedness programs, and school safety programs, and \$750,000 is appropriated annually for use in providing training to school safety specialists.

#### OFFICE OF TRAFFIC SAFETY

##### Motor Vehicle Highway Account (IC 8-14-1)

Personal Services	457,669	457,777
Other Operating Expense	11,093,645	11,093,645
Augmentation allowed.		

The above appropriation for the office of traffic safety is from the motor vehicle highway account and may be used to fund traffic safety projects that are included in a current highway safety plan approved by the governor and the budget agency. The department shall apply to the national highway traffic safety administration for reimbursement of all eligible project costs. Any federal reimbursement received by the department for the highway safety plan shall be deposited into the motor vehicle highway account.

#### PROJECT IMPACT

Total Operating Expense	196,000	196,000
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#### VICTIMS OF VIOLENT CRIME ADMINISTRATION

##### Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)

Personal Services	185,665	185,720
Other Operating Expense	2,548,565	2,548,565
Augmentation allowed.		

#### FOR THE CORONERS' TRAINING BOARD

##### Coroners' Training and Continuing Education Fund (IC 4-23-6.5-8)

Personal Services	30,000	30,000
Other Operating Expense	485,429	485,429
Augmentation allowed.		

#### FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH

Personal Services	157,519	157,632
Other Operating Expense	88,658	88,658
Augmentation allowed from fees accruing under IC 4-33-18-8.		

#### FOR THE LAW ENFORCEMENT TRAINING ACADEMY

##### From the General Fund

1,622,820	1,624,857
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##### From the Law Enforcement Academy Training Fund (IC 5-2-1-13(b))

2,803,013	2,803,013
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Augmentation allowed from Law Enforcement Academy Training Fund.

The amounts specified from the General Fund and the Law Enforcement Academy Training Fund are for the following purposes:

Personal Services	3,083,774	3,085,811
Other Operating Expense	1,342,059	1,342,059



**C. REGULATORY AND LICENSING**

**FOR THE BUREAU OF MOTOR VEHICLES**

**Motor Vehicle Highway Account (IC 8-14-1)**

Personal Services	20,056,862	20,047,781
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Other Operating Expense	16,589,473	16,589,473
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Augmentation allowed.

**LICENSE PLATES**

**Motor Vehicle Highway Account (IC 8-14-1)**

Total Operating Expense	5,390,000	5,390,000
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Augmentation allowed.

**DEALER INVESTIGATOR EXPENSES**

**Motor Vehicle Odometer Fund (IC 9-29-1-5)**

Total Operating Expense	263,228	263,228
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Augmentation allowed.

**FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION**

**Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)**

Total Operating Expense	7,777,970	7,778,371
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Augmentation allowed.

**ABANDONED VEHICLES**

**Abandoned Vehicle Fund (IC 9-22-1-28)**

Total Operating Expense	36,260	36,260
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Augmentation allowed.

**STATE MOTOR VEHICLE TECHNOLOGY**

**State Motor Vehicle Technology Fund (IC 9-29-16-1)**

Total Operating Expense	5,098,968	5,098,968
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Augmentation allowed.

**FOR THE DEPARTMENT OF LABOR**

Personal Services	1,019,407	1,020,143
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Other Operating Expense	114,673	114,673
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**INDUSTRIAL HYGIENE**

Personal Services	1,246,719	1,247,594
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Other Operating Expense	117,031	117,031
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**BUREAU OF MINES AND MINING**

Personal Services	109,621	109,697
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Other Operating Expense	19,104	19,104
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**M.I.S. RESEARCH AND STATISTICS**

Personal Services	237,799	237,963
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Other Operating Expense	20,299	20,299
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The above funds are appropriated to occupational safety and health, industrial hygiene, and to management information services research and statistics to provide the total program cost of the Indiana occupational safety and health plan as approved by the United States Department of Labor. Inasmuch as the state is eligible to receive from the federal government partial reimbursement of the state's total Indiana occupational safety and health plan program cost, it is the intention of the general assembly that the department of labor make application to the federal government for the federal share of the total program cost. Federal funds received shall be considered a reimbursement



of state expenditures and as such shall be deposited into the state general fund.

### **OCCUPATIONAL SAFETY AND HEALTH**

Personal Services	2,314,796	2,316,387
Other Operating Expense	198,885	198,885

### **EMPLOYMENT OF YOUTH**

Fund for Employment of Youth (IC 20-8.1-4-31)

Total Operating Expense	75,443	75,473
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Augmentation allowed.

### **BUREAU OF SAFETY EDUCATION AND TRAINING**

Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)

Personal Services	893,884	894,498
Other Operating Expense	189,792	189,792

Augmentation allowed.

Federal cost reimbursements for expenses attributable to the Bureau of Safety Education and Training appropriations shall be deposited into the special fund for safety and health consultation services.

### **FOR THE INSURANCE DEPARTMENT**

From the General Fund

3,428,470	3,431,292
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From the Department of Insurance Fund (IC 27-1-3-28)

2,363,439	2,363,439
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Augmentation allowed from the Department of Insurance Fund.

The amounts specified from the General Fund and the Department of Insurance Fund are for the following purposes:

Personal Services	4,734,217	4,737,039
Other Operating Expense	1,057,692	1,057,692

### **BAIL BOND DIVISION**

Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)

Personal Services	108,119	108,188
Other Operating Expense	14,660	14,660

Augmentation allowed.

### **PATIENTS' COMPENSATION AUTHORITY**

Patients' Compensation Fund (IC 34-18-6-1)

Personal Services	620,860	621,057
Other Operating Expense	68,525	68,525

Augmentation allowed.

### **POLITICAL SUBDIVISION RISK MANAGEMENT**

Political Subdivision Risk Management Fund (IC 27-1-29-10)

Personal Services	221,502	221,569
Other Operating Expense	52,525	52,525

Augmentation allowed.

### **MINE SUBSIDENCE INSURANCE**

Mine Subsidence Insurance Fund (IC 27-7-9-7)



		<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	118,535	118,622	
2	Other Operating Expense	201,765	201,765	
3	Augmentation allowed.			
4				
5	<b>FOR THE ALCOHOL AND TOBACCO COMMISSION</b>			
6	From the Enforcement and Administration Fund (IC 7.1-4-10-1)			
7	Personal Services	4,963,688	4,513,135	
8	Other Operating Expense	887,278	887,278	
9	Augmentation allowed.			
10	<b>EXCISE OFFICER TRAINING FUND (IC 5-2-8-8)</b>			
11	Total Operating Expense	6,860	6,860	
12	Augmentation allowed from the Alcoholic Beverage Enforcement Officer Training Fund.			
13				
14	<b>FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS</b>			
15	Financial Institutions Fund (IC 28-11-2-9)			
16	Personal Services	5,884,768	5,889,224	
17	Other Operating Expense	1,530,776	1,531,496	
18	Augmentation allowed.			
19				
20	<b>FOR THE PROFESSIONAL LICENSING AGENCY</b>			
21	Personal Services	4,307,807	4,310,715	
22	Other Operating Expense	1,500,531	1,500,531	
23	<b>EMBALMERS' AND FUNERAL DIRECTORS' EDUCATION (IC 25-15-9-13)</b>			
24	Funeral Services Education Fund (IC 25-15-9-13)			
25	Total Operating Expense	4,900	4,900	
26	Augmentation allowed.			
27				
28	<b>FOR THE DEPARTMENT OF FIRE AND BUILDING SERVICES</b>			
29	Fire and Building Services Fund (IC 22-12-6-1)			
30	Personal Services	8,541,057	8,546,829	
31	Other Operating Expense	1,345,487	1,345,487	
32	Augmentation allowed.			
33				
34	<b>FOR THE PUBLIC SAFETY TRAINING INSTITUTE</b>			
35	Fire and Building Services Fund (IC 22-12-6-1)			
36	Personal Services	1,063,716	1,064,361	
37	Other Operating Expense	305,978	305,978	
38	Augmentation allowed.			
39				
40	<b>FOR THE CIVIL RIGHTS COMMISSION</b>			
41	Personal Services	2,097,270	2,098,776	
42	Other Operating Expense	266,515	266,515	
43				
44	It is the intention of the general assembly that the civil rights commission shall			
45	apply to the federal government for funding based upon the processing of employment			
46	and housing discrimination complaints by the civil rights commission. Such federal			
47	funds received by the state shall be considered as a reimbursement of state expenditures			
48	and shall be deposited into the state general fund.			
49				





**FOR THE UTILITY CONSUMER COUNSELOR**

**Public Utility Fund (IC 8-1-6-1)**

<b>Personal Services</b>	<b>3,800,352</b>	<b>3,803,139</b>
<b>Other Operating Expense</b>	<b>455,065</b>	<b>455,065</b>

**Augmentation allowed.**

**EXPERT WITNESS FEES AND AUDIT**

**Public Utility Fund (IC 8-1-6-1)**

<b>Total Operating Expense</b>		<b>1,550,000</b>
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**Augmentation allowed.**

**FOR THE UTILITY REGULATORY COMMISSION**

**Public Utility Fund (IC 8-1-6-1)**

<b>Personal Services</b>	<b>5,239,324</b>	<b>5,243,244</b>
<b>Other Operating Expense</b>	<b>1,966,515</b>	<b>1,966,515</b>

**Augmentation allowed.**

**FOR THE WORKERS' COMPENSATION BOARD**

<b>Personal Services</b>	<b>1,800,788</b>	<b>1,802,034</b>
<b>Other Operating Expense</b>	<b>89,869</b>	<b>89,869</b>

**FOR THE STATE BOARD OF ANIMAL HEALTH**

<b>Personal Services</b>	<b>3,172,896</b>	<b>3,175,065</b>
<b>Other Operating Expense</b>	<b>680,927</b>	<b>680,927</b>

**INDEMNITY FUND**

<b>Total Operating Expense</b>		<b>49,430</b>
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**Augmentation allowed.**

**MEAT & POULTRY INSPECTION**

<b>Total Operating Expense</b>	<b>1,781,628</b>	<b>1,782,624</b>
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**FOR THE EMERGENCY MANAGEMENT AGENCY**

<b>Personal Services</b>	<b>1,558,682</b>	<b>1,559,945</b>
<b>Other Operating Expense</b>	<b>154,602</b>	<b>154,602</b>

**EMERGENCY MANAGEMENT AGENCY CONTINGENCY FUND**

<b>Total Operating Expense</b>	<b>242,500</b>	<b>242,500</b>
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The above appropriations for the emergency management agency contingency fund are made to the contingency fund under IC 10-14-3-28. The above appropriations shall be in addition to any unexpended balances in the fund as of June 30, 2005.

**DIRECTION CONTROL AND WARNING**

<b>Total Operating Expense</b>	<b>30,182</b>	<b>30,182</b>
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**INDIVIDUAL AND FAMILY ASSISTANCE**

<b>Total Operating Expense</b>	<b>1</b>	<b>1</b>
--------------------------------	----------	----------

**Augmentation allowed.**

**PUBLIC ASSISTANCE**

<b>Total Operating Expense</b>	<b>1</b>	<b>1</b>
--------------------------------	----------	----------

**Augmentation allowed.**



The above appropriations for the emergency management agency represent the total program cost for civil defense and for emergency medical services for each fiscal year. It is the intent of the general assembly that the emergency management agency apply to the Federal Emergency Management Agency for all federal reimbursement funds for which Indiana is eligible. All funds received shall be deposited into the state general fund.

## SECTION 5. [EFFECTIVE JULY 1, 2005]

### CONSERVATION AND ENVIRONMENT

#### A. NATURAL RESOURCES

##### FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION

Personal Services	4,864,533	4,868,008
Other Operating Expense	728,150	728,150

##### ENTOMOLOGY AND PLANT PATHOLOGY DIVISION

Personal Services	760,732	761,281
Other Operating Expense	161,937	161,937

##### ENTOMOLOGY AND PLANT PATHOLOGY FUND (IC 14-24-10-3)

Total Operating Expense		23,359
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Augmentation allowed.

##### ENGINEERING DIVISION

Personal Services	1,588,440	1,589,599
Other Operating Expense	71,351	71,351

##### STATE MUSEUM

Personal Services	5,498,536	5,502,194
Other Operating Expense	2,031,841	2,031,841

##### HISTORIC PRESERVATION DIVISION

Personal Services	937,701	938,370
Other Operating Expense	41,125	41,125

##### STATE HISTORIC SITES

Personal Services	2,139,718	2,140,920
Other Operating Expense	381,787	381,787

From the above appropriations, \$75,000 in each state fiscal year shall be used for the Grissom Museum.

##### WABASH RIVER HERITAGE CORRIDOR

Total Operating Expense	97,849	97,849
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##### OUTDOOR RECREATION DIVISION

Personal Services	850,544	851,170
Other Operating Expense	44,019	44,019

##### NATURE PRESERVES DIVISION

Personal Services	908,197	908,859
Other Operating Expense	52,164	52,164

##### DEPARTMENT OF NATURAL RESOURCES FINANCIAL MANAGEMENT

Personal Services	148,372	148,483
Other Operating Expense	41,718	41,718



1       **WATER DIVISION**

2       Personal Services	4,938,614	4,942,191
3       Other Operating Expense	663,935	663,935

4

5       All revenues accruing from state and local units of government and from private utilities

6       and industrial concerns as a result of water resources study projects, and as a result

7       of topographic and other mapping projects, shall be deposited into the state general

8       fund, and such receipts are hereby appropriated, in addition to the foregoing amounts,

9       for water resources studies.

10

11       **GREAT LAKES COMMISSION**

12       Other Operating Expense	61,000	61,000
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13       **DEER RESEARCH AND MANAGEMENT**

14       Deer Research and Management Fund (IC 14-22-5-2)

15       Total Operating Expense	174,000	174,000
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16       Augmentation allowed.

17       **OIL AND GAS DIVISION**

18       From the General Fund

19                               1,207,046	1,207,388
--	-----------

20       From the Oil and Gas Fund (IC 6-8-1-27)

21                               139,750	140,176
--	---------

22       Augmentation allowed from Oil and Gas Fund.

23

24       The amounts specified from the General Fund and the Oil and Gas Fund are for the

25       following purposes:

26

27       Personal Services	1,066,435	1,067,203
28       Other Operating Expense	280,361	280,361

29

30       **STATE PARKS AND RESERVOIRS**

31       From the General Fund

32                               10,161,162	10,168,398
---	------------

33       From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)

34                               21,136,316	21,160,811
---	------------

35       Augmentation allowed from State Parks and Reservoirs Special Revenue Fund.

36

37       The amounts specified from the General Fund and the State Parks and Reservoirs

38       Special Revenue Fund are for the following purposes:

39

40       Personal Services	24,409,278	24,441,009
41       Other Operating Expense	6,888,200	6,888,200

42

43       **SNOWMOBILE/OFFROAD VEHICLE LICENSING FUND**

44       Snowmobile/Offroad Licensing Fund (IC 14-16-1-30)

45       Total Operating Expense	139,908	139,908
----------------------------------	---------	---------

46       Augmentation allowed.

47       **LAW ENFORCEMENT DIVISION**

48       From the General Fund

49                               9,207,707	9,208,185
--	-----------



1 From the Fish and Wildlife Fund (IC 14-22-3-2)  
2 11,060,370 11,061,123  
3 Augmentation allowed from the Fish and Wildlife Fund.  
4

5 The amounts specified from the General Fund and the Fish and Wildlife Fund are for  
6 the following purposes:  
7

8 Personal Services	17,010,154	17,011,385
9 Other Operating Expense	3,257,923	3,257,923

10  
11 **FISH AND WILDLIFE DIVISION**

12 Fish and Wildlife Fund (IC 14-22-3-2)  
13 Personal Services 13,271,453 13,279,686  
14 Other Operating Expense 4,056,937 4,056,937  
15 Augmentation allowed.

16 **FORESTRY DIVISION**

17 From the General Fund  
18 1,406,350 1,406,609  
19 From the State Forestry Fund (IC 14-23-3-2)  
20 7,948,375 7,952,921  
21 Augmentation allowed from the State Forestry Fund.  
22

23 The amounts specified from the General Fund and the State Forestry Fund are  
24 for the following purposes:  
25

26 Personal Services	7,850,802	7,855,607
27 Other Operating Expense	1,503,923	1,503,923

28  
29 All money expended by the division of forestry of the department of natural resources  
30 for the detention and suppression of forest, grassland, and wasteland fires shall  
31 be through the enforcement division of the department, and the employment with such  
32 money of all personnel, with the exception of emergency labor, shall be in accordance  
33 with IC 14-9-8.  
34

35 **RECLAMATION DIVISION**

36 From the General Fund  
37 36,857 36,857  
38 From the Natural Resources Reclamation Division Fund (IC 14-34-14-2)  
39 5,228,074 5,231,437  
40 Augmentation allowed from the Natural Resources Reclamation Division Fund.  
41

42 The amounts specified from the General Fund and the Natural Resources Reclamation  
43 Division Fund are for the following purposes:  
44

45 Personal Services	4,585,013	4,588,376
46 Other Operating Expense	679,918	679,918

47  
48 In addition to any of the foregoing appropriations for the department of natural  
49 resources, any federal funds received by the state of Indiana for support of approved



outdoor recreation projects for planning, acquisition, and development under the provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are appropriated for the uses and purposes for which the funds were paid to the state, and shall be distributed by the department of natural resources to state agencies and other governmental units in accordance with the provisions under which the funds were received.

#### LAKE AND RIVER ENHANCEMENT

Lake and River Enhancement Fund (IC 6-6-11-12.5)

Total Operating Expense		4,685,811
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Augmentation allowed.

#### CONSERVATION OFFICERS' MARINE ENFORCEMENT FUND

Lake and River Enhancement Fund (IC 6-6-11-12.5)

Total Operating Expense	182,759	182,759
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Augmentation allowed.

#### HERITAGE TRUST

Total Operating Expense	1,000,000	1,000,000
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### B. OTHER NATURAL RESOURCES

#### FOR THE WORLD WAR MEMORIAL COMMISSION

Personal Services	1,025,997	1,026,680
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Other Operating Expense	143,509	143,509
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All revenues received as rent for space in the buildings located at 777 North Meridian Street and 700 North Pennsylvania Street, in the city of Indianapolis, that exceed the costs of operation and maintenance of the space rented, shall be paid into the general fund. The American Legion shall provide for the complete maintenance of the interior of these buildings.

#### FOR THE WHITE RIVER PARK COMMISSION

Total Operating Expense	1,309,965	1,309,965
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#### FOR THE ST. JOSEPH RIVER BASIN COMMISSION

Total Operating Expense	70,029	70,029
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### C. ENVIRONMENTAL MANAGEMENT

#### FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

##### ADMINISTRATION

From the General Fund

4,302,355	4,386,235
-----------	-----------

From the State Solid Waste Management Fund (IC 13-20-22-2)

128,388	128,465
---------	---------

From the Waste Tire Management Fund (IC 13-20-13-8)

60,182	60,218
--------	--------

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

742,243	742,684
---------	---------

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

862,606	863,148
---------	---------



1 From the Environmental Management Special Fund (IC 13-14-12-1)  
 2 216,654 216,782  
 3 From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)  
 4 316,957 317,145  
 5 From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)  
 6 56,167 56,201  
 7 From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)  
 8 1,628,925 1,629,890  
 9 Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management  
 10 Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit  
 11 Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
 12 Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
 13 Storage Tank Excess Liability Trust Fund.  
 14

15 The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire  
 16 Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management  
 17 Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
 18 Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
 19 Storage Tank Excess Liability Trust Fund are for the following purposes:  
 20

21 Personal Services	6,113,111	6,117,395
22 Other Operating Expense	2,201,366	2,283,373

#### 23 LABORATORY CONTRACTS

##### 24 General Fund

25 708,362 777,825

26 Environmental Management Special Fund (IC 13-14-12-1)

27 425,999 425,999

28 Hazardous Substances Response Trust Fund (IC 13-25-4-1)

29 1,277,997 1,277,997

30 Augmentation allowed from the Environmental Management Special Fund and the Hazardous  
 31 Substances Response Trust Fund.  
 32  
 33

34 The amounts specified from the General Fund, Environmental Management Special Fund,  
 35 and the Hazardous Substance Response Trust Fund are for the following purpose:  
 36

36 Total Operating Expense	2,412,358	2,481,821
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#### 37 NORTHWEST REGIONAL OFFICE

##### 38 From the General Fund

39 523,982 524,332

40 From the State Solid Waste Management Fund (IC 13-20-22-2)

41 31,639 31,659

42 From the Waste Tire Management Fund (IC 13-20-13-8)

43 8,925 8,931

44 From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

45 283,124 283,308

46 From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

47 135,480 135,571

48 From the Environmental Management Special Fund (IC 13-14-12-1)  
 49



1	64,089	64,130
2	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	
3	48,677	48,709
4	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	
5	8,113	8,118
6	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	
7	231,202	231,349
8	Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management	
9	Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit	
10	Operation Fund, Environmental Management Special Fund, Hazardous Substances Response	
11	Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum	
12	Storage Tank Excess Liability Trust Fund.	

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

20	Personal Services	1,206,917	1,207,793
21	Other Operating Expense	128,314	128,314

#### NORTHERN REGIONAL OFFICE

24	From the General Fund	
25	374,610	374,843
26	From the State Solid Waste Management Fund (IC 13-20-22-2)	
27	46,856	46,883
28	From the Waste Tire Management Fund (IC 13-20-13-8)	
29	5,679	5,682
30	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)	
31	276,161	276,325
32	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)	
33	123,527	123,626
34	From the Environmental Management Special Fund (IC 13-14-12-1)	
35	66,732	66,772
36	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)	
37	39,048	39,071
38	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)	
39	4,970	4,973
40	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)	
41	146,951	147,035
42	Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management	
43	Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit	
44	Operation Fund, Environmental Management Special Fund, Hazardous Substances Response	
45	Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum	
46	Storage Tank Excess Liability Trust Fund.	

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management



Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	932,226	932,902
Other Operating Expense	152,308	152,308

#### **SOUTHWEST REGIONAL OFFICE**

From the General Fund

387,639	387,863
---------	---------

From the State Solid Waste Management Fund (IC 13-20-22-2)

97,931	97,987
--------	--------

From the Waste Tire Management Fund (IC 13-20-13-8)

6,045	6,048
-------	-------

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

146,896	146,981
---------	---------

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

86,445	86,497
--------	--------

From the Environmental Management Special Fund (IC 13-14-12-1)

52,594	52,624
--------	--------

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

55,010	55,042
--------	--------

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

5,440	5,443
-------	-------

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

154,150	154,239
---------	---------

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	793,774	794,348
Other Operating Expense	198,376	198,376

#### **LEGAL AFFAIRS**

From the General Fund

779,039	779,561
---------	---------

From the State Solid Waste Management Fund (IC 13-20-22-2)

40,958	40,983
--------	--------

From the Waste Tire Management Fund (IC 13-20-13-8)

4,428	4,431
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1 From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)  
 2 242,425 242,573  
 3 From the Environmental Management Permit Operation Fund (IC 13-15-11-1)  
 4 180,435 180,553  
 5 From the Environmental Management Special Fund (IC 13-14-12-1)  
 6 61,990 62,027  
 7 From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)  
 8 91,877 91,932  
 9 From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)  
 10 16,604 16,614  
 11 From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)  
 12 468,246 468,528  
 13 Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management  
 14 Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit  
 15 Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
 16 Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
 17 Storage Tank Excess Liability Trust Fund.  
 18

19 The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire  
 20 Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management  
 21 Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
 22 Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
 23 Storage Tank Excess Liability Trust Fund are for the following purposes:  
 24

Personal Services	1,762,962	1,764,162
Other Operating Expense	123,040	123,040

#### 28 ENFORCEMENT

29 From the General Fund  
 30 1,056,384 1,057,122  
 31 From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)  
 32 733,137 733,746  
 33 From the Environmental Management Special Fund (IC 13-14-12-1)  
 34 80,186 80,253  
 35 From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)  
 36 3,273 3,276  
 37 From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)  
 38 1,636 1,637  
 39 Augmentation allowed from the Title V Operating Permit Program Trust Fund, Environmental  
 40 Management Special Fund, Hazardous Substances Response Trust Fund, and the Underground  
 41 Petroleum Storage Tank Excess Liability Trust Fund.  
 42

43 The amounts specified from the General Fund, Title V Operating Permit Program Trust Fund,  
 44 Environmental Management Special Fund, Hazardous Substances Response Trust Fund, and  
 45 Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:  
 46

Personal Services	1,794,769	1,796,187
Other Operating Expense	79,847	79,847



# INVESTIGATIONS

## From the General Fund

191,601	191,702
---------	---------

## From the State Solid Waste Management Fund (IC 13-20-22-2)

6,819	6,822
-------	-------

## From the Waste Tire Management Fund (IC 13-20-13-8)

4,636	4,638
-------	-------

## From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

44,721	44,744
--------	--------

## From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

55,627	55,657
--------	--------

## From the Environmental Management Special Fund (IC 13-14-12-1)

13,089	13,096
--------	--------

## From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

22,632	22,643
--------	--------

## From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

4,362	4,364
-------	-------

## From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

120,799	120,862
---------	---------

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	333,715	333,957
Other Operating Expense	130,571	130,571

# PLANNING AND ASSESSMENT

## From the General Fund

444,517	444,834
---------	---------

## From the State Solid Waste Management Fund (IC 13-20-22-2)

8,389	8,395
-------	-------

## From the Waste Tire Management Fund (IC 13-20-13-8)

5,705	5,709
-------	-------

## From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

55,033	55,071
--------	--------

## From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

68,454	68,505
--------	--------

## From the Environmental Management Special Fund (IC 13-14-12-1)

16,107	16,118
--------	--------

## From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

27,852	27,872
--------	--------



1 From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)  
2 5,370 5,374  
3 From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)  
4 148,654 148,757  
5 Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management  
6 Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit  
7 Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
8 Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
9 Storage Tank Excess Liability Trust Fund.

10

11 The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire  
12 Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management  
13 Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
14 Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
15 Storage Tank Excess Liability Trust Fund are for the following purposes:

16

17 Personal Services	763,868	764,422
18 Other Operating Expense	16,213	16,213

19

20 **MEDIA AND COMMUNICATIONS**

21

22 From the General Fund  
23 418,483 418,762

24

25 From the State Solid Waste Management Fund (IC 13-20-22-2)  
26 10,533 10,539

27

28 From the Waste Tire Management Fund (IC 13-20-13-8)  
29 7,161 7,165

30

31 From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)  
32 69,097 69,142

33

34 From the Environmental Management Permit Operation Fund (IC 13-15-11-1)  
35 85,949 86,008

36

37 From the Environmental Management Special Fund (IC 13-14-12-1)  
38 20,224 20,237

39

40 From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)  
41 34,970 34,992

42

43 From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)  
44 6,741 6,745

45

46 From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)  
47 186,648 186,769

48

49 Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management  
Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit  
Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
Storage Tank Excess Liability Trust Fund.

50

51 The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire  
52 Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management  
53 Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response  
54 Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum  
55 Storage Tank Excess Liability Trust Fund are for the following purposes:



1			
2	Personal Services	795,024	795,577
3	Other Operating Expense	44,782	44,782
4			
5	<b>PUBLIC POLICY AND PLANNING</b>		
6	From the General Fund		
7		161,608	161,718
8	From the State Solid Waste Management Fund (IC 13-20-22-2)		
9		5,908	5,912
10	From the Waste Tire Management Fund (IC 13-20-13-8)		
11		4,019	4,021
12	From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
13		38,752	38,777
14	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
15		48,207	48,240
16	From the Environmental Management Special Fund (IC 13-14-12-1)		
17		11,342	11,349
18	From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)		
19		19,613	19,625
20	From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
21		3,780	3,782
22	From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
23		104,682	104,752
24	Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management		
25	Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit		
26	Operation Fund, Environmental Management Special Fund, Hazardous Substances Response		
27	Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum		
28	Storage Tank Excess Liability Trust Fund.		
29			
30	The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire		
31	Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management		
32	Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response		
33	Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum		
34	Storage Tank Excess Liability Trust Fund are for the following purposes:		
35			
36	Personal Services	353,663	353,928
37	Other Operating Expense	44,248	44,248
38			
39	<b>OHIO RIVER VALLEY WATER SANITATION COMMISSION</b>		
40	Environmental Management Special Fund (IC 13-14-12-1)		
41	Total Operating Expense	242,900	242,900
42	Augmentation allowed.		
43	<b>OFFICE OF ENVIRONMENTAL RESPONSE</b>		
44	Personal Services	1,948,562	1,949,976
45	Other Operating Expense	575,485	575,485
46	<b>POLLUTION PREVENTION AND TECHNICAL ASSISTANCE</b>		
47	Personal Services	1,045,497	1,046,263
48	Other Operating Expense	249,790	249,790
49	<b>PCB INSPECTIONS</b>		



1	Environmental Management Permit Operation Fund (IC 13-15-11-1)		
2	Total Operating Expense	40,001	40,001
3	Augmentation allowed.		
4	U.S. GEOLOGICAL SURVEY CONTRACTS		
5	Environmental Management Special Fund (IC 13-14-12-1)		
6	Total Operating Expense	62,890	62,890
7	Augmentation allowed.		
8	STATE SOLID WASTE GRANTS MANAGEMENT		
9	State Solid Waste Management Fund (IC 13-20-22-2)		
10	Personal Services	232,830	232,997
11	Other Operating Expense	1,372,630	1,372,630
12	Augmentation allowed.		
13	VOLUNTARY CLEAN-UP PROGRAM		
14	Voluntary Remediation Fund (IC 13-25-5-21)		
15	Personal Services	326,625	326,858
16	Other Operating Expense	551,500	551,500
17	Augmentation allowed.		
18	TITLE V AIR PERMIT PROGRAM		
19	Title V Operating Permit Program Trust Fund (IC 13-17-8-1)		
20	Personal Services	6,131,432	6,135,885
21	Other Operating Expense	4,374,989	4,374,989
22	Augmentation allowed.		
23	WATER MANAGEMENT PERMITTING		
24	From the General Fund		
25	1,919,924    1,921,119		
26	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
27	4,205,935    4,208,554		
28	Augmentation allowed from the Environmental Management Permit Operation Fund.		
29			
30	The amounts specified from the General Fund and the Environmental Management Permit		
31	Operation Fund are for the following purposes:		
32			
33	Personal Services	5,331,613	5,335,427
34	Other Operating Expense	794,246	794,246
35			
36	SOLID WASTE MANAGEMENT PERMITTING		
37	From the General Fund		
38	2,007,190    2,008,514		
39	From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
40	3,102,309    3,104,355		
41	Augmentation allowed from the Environmental Management Permit Operation Fund.		
42			
43	The amounts specified from the General Fund and the Environmental Management Permit		
44	Operation Fund are for the following purposes:		
45			
46	Personal Services	4,714,580	4,717,950
47	Other Operating Expense	394,919	394,919
48			
49	HAZARDOUS WASTE MANAGEMENT PERMITTING		



1 From the General Fund  
2 2,492,889 2,494,350  
3 From the Environmental Management Permit Operation Fund (IC 13-15-11-1)  
4 2,978,130 2,979,879  
5 Augmentation allowed from the Environmental Management Permit Operation Fund.

6  
7 The amounts specified from the General Fund and the Environmental Management Permit  
8 Operation Fund are for the following purposes:

9  
10 Personal Services 4,445,660 4,448,870  
11 Other Operating Expense 1,025,359 1,025,359  
12

13 **SAFE DRINKING WATER PROGRAM**

14 From the General Fund  
15 571,429 571,807  
16 From the Environmental Management Permit Operation Fund (IC 13-15-11-1)  
17 2,094,366 2,894,837  
18 Augmentation allowed from the Environmental Management Permit Operation Fund.

19  
20 The amounts specified from the General Fund and the Environmental Management Permit  
21 Operation Fund are for the following purposes:

22  
23 Personal Services 1,075,952 1,077,970  
24 Other Operating Expense 1,589,843 2,388,674  
25

26 **WATERSHED MANAGEMENT**

27 Environmental Management Special Fund (IC 13-14-12-1)  
28 Total Operating Expense 24,037 24,037  
29 Augmentation allowed.

30 **CLEAN VESSEL PUMPOUT**

31 Environmental Management Special Fund (IC 13-14-12-1)  
32 Total Operating Expense 58,475 58,475  
33 Augmentation allowed.

34 **GROUNDWATER PROGRAM**

35 Total Operating Expense 287,001 287,126

36 **UNDERGROUND STORAGE TANK PROGRAM**

37 Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)  
38 Total Operating Expense 137,215 137,277  
39 Augmentation allowed.

40 **AIR MANAGEMENT OPERATING**

41 From the General Fund  
42 886,788 887,229  
43 From the Environmental Management Special Fund (IC 13-14-12-1)  
44 1,698,889 1,699,738  
45 Augmentation allowed from the Environmental Management Special Fund.

46  
47 The amounts specified from the General Fund and the Environmental Management Special  
48 Fund are for the following purposes:

49



		<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	Personal Services	1,776,421	1,777,711	
2	Other Operating Expense	809,256	809,256	
3				
4	<b>WATER MANAGEMENT NON-PERMITTING</b>			
5	Personal Services	3,137,463	3,139,726	
6	Other Operating Expense	391,681	490,466	
7	<b>GREAT LAKES INITIATIVE</b>			
8	Environmental Management Special Fund (IC 13-14-12-1)			
9	Total Operating Expense	96,160	96,160	
10	Augmentation allowed.			
11	<b>OUTREACH OPERATOR TRAINING</b>			
12	Total Operating Expense	41,306	41,306	
13	<b>LEAKING UNDERGROUND STORAGE TANKS</b>			
14	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
15	Personal Services	124,465	124,555	
16	Other Operating Expense	44,109	44,109	
17	Augmentation allowed.			
18	<b>CORE SUPERFUND</b>			
19	Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
20	Total Operating Expense	127,435	127,467	
21	Augmentation allowed.			
22	<b>AUTO EMISSIONS TESTING PROGRAM</b>			
23	Personal Services	153,161	153,270	
24	Other Operating Expense	7,592,411	7,344,013	
25				
26	The above appropriations for auto emissions testing are the maximum amounts available			
27	for this purpose. If it becomes necessary to conduct additional tests in other locations, the			
28	above appropriations shall be prorated among all locations.			
29				
30	<b>HAZARDOUS WASTE SITE - STATE CLEAN-UP</b>			
31	Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
32	Personal Services	914,494	915,153	
33	Other Operating Expense	1,323,811	1,323,811	
34	Augmentation allowed.			
35	<b>HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES</b>			
36	Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
37	Personal Services	174,348	174,474	
38	Other Operating Expense	680,991	680,991	
39	Augmentation allowed.			
40	<b>SUPERFUND MATCH</b>			
41	Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
42	Total Operating Expense	354,985	354,985	
43	Augmentation allowed.			
44	<b>HOUSEHOLD HAZARDOUS WASTE</b>			
45	Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
46	Personal Services	39,934	39,960	
47	Other Operating Expense	443,816	443,816	
48	Augmentation allowed.			
49	<b>ASBESTOS TRUST - OPERATING</b>			



1	<b>Asbestos Trust Fund (IC 13-17-6-3)</b>		
2	Personal Services	358,456	358,709
3	Other Operating Expense	150,384	150,384
4	Augmentation allowed.		
5	<b>UNDERGROUND PETROLEUM STORAGE TANK - OPERATING</b>		
6	Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)		
7	Personal Services	201,977	202,035
8	Other Operating Expense	28,128,801	28,128,801
9	Augmentation allowed.		
10	<b>WASTE TIRE MANAGEMENT</b>		
11	Waste Tire Management Fund (IC 13-20-13-8)		
12	Total Operating Expense	1,054,000	1,054,000
13	Augmentation allowed.		
14	<b>VOLUNTARY COMPLIANCE</b>		
15	Environmental Management Special Fund (IC 13-14-12-1)		
16	Personal Services	140,598	140,696
17	Other Operating Expense	217,737	217,737
18	Augmentation allowed.		
19	<b>ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING</b>		
20	Environmental Management Special Fund (IC 13-14-12-1)		
21	Total Operating Expense	1,100,000	1,100,000
22	Augmentation allowed.		
23	<b>SMALL TOWN COMPLIANCE</b>		
24	Environmental Management Special Fund (IC 13-14-12-1)		
25	Total Operating Expense	60,000	60,000
26	Augmentation allowed.		
27	<b>WETLANDS PROTECTION</b>		
28	Environmental Management Special Fund (IC 13-14-12-1)		
29	Total Operating Expense	50,401	50,401
30	Augmentation allowed.		
31	<b>MERCURY REDUCTION OUTREACH GRANT</b>		
32	Total Operating Expense	87,590	87,590
33	<b>PETROLEUM TRUST - OPERATING</b>		
34	Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)		
35	Personal Services	242,896	243,081
36	Other Operating Expense	462,885	462,885
37	Augmentation allowed.		
38	<b>LEAD BASED PAINT ACTIVITIES PROGRAM</b>		
39	Lead Trust Fund (IC 13-17-14-6)		
40	Total Operating Expense	21,638	21,646
41	Augmentation allowed.		

Notwithstanding any other law, with the approval of the Governor and the budget agency, the above appropriations for hazardous waste management - permitting, wetlands protection, watershed management, groundwater program, underground storage tanks, air management operating, asbestos trust operating, lead based paint activities program, water management non-permitting, pollution prevention incentives for states, safe drinking water program, and any other appropriation eligible to be included in a performance partnership grant may be used to fund activities incorporated into a





performance partnership grant between the United States Environmental Protection Agency and the department of environmental management.

**FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION**

**Environmental Management Special Fund (IC 13-14-12-1)**

Personal Services	232,179	232,335
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Other Operating Expense	82,114	82,114
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Augmentation allowed.

**SECTION 6. [EFFECTIVE JULY 1, 2005]**

**ECONOMIC DEVELOPMENT**

**A. AGRICULTURE**

**FOR THE DEPARTMENT OF AGRICULTURE**

Personal Services	1,437,305	1,438,352
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Other Operating Expense	239,431	239,431
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**VALUE ADDED RESEARCH PROGRAM**

**General Fund**

Total Operating Expense	250,000	250,000
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**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

Total Operating Expense	600,000	600,000
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**CLEAN WATER INDIANA**

**From the Cigarette Tax Fund (IC 6-7-1-29.1)**

Total Operating Expense	3,750,000	3,750,000
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The foregoing appropriations for Clean Water Indiana may be allotted only if there is an appropriation from the cigarette tax for Clean Water Indiana. Augmentation allowed.

**SOIL CONSERVATION DIVISION**

**Cigarette Tax Fund (IC 6-7-1-29.1)**

Total Operating Expense	1,968,750	1,968,750
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Augmentation allowed.

**FOR THE LIEUTENANT GOVERNOR**

**RURAL DEVELOPMENT ADMINISTRATION**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

Total Operating Expense	2,400,000	2,400,000
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Notwithstanding IC 4-4-9.3, the above appropriations include funds for the farm counseling program. Not more than \$279,000 in each state fiscal year may be allocated from the above appropriations to the farm counseling program.

**RURAL DEVELOPMENT COUNCIL**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

Total Operating Expense	1,203,480	1,203,483
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**B. COMMERCE**

**FOR THE LIEUTENANT GOVERNOR**

**OFFICE OF RURAL AFFAIRS**

Personal Services	883,830	883,830
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Other Operating Expense	238,875	238,875
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**HOME OWNERSHIP EDUCATION**

Total Operating Expense	120,000	120,000
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**OFFICE OF TOURISM**

Total Operating Expense	4,360,032	4,360,032
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**INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS**

Total Operating Expense	1,350,000	1,350,000
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The office of the lieutenant governor shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

Family and social services administration, division of family resources shall apply all qualifying expenditures for individual development accounts deposits toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

**RECYCLING PROMOTION AND ASSISTANCE PROGRAM**

Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

Total Operating Expense	1,500,000	1,500,000
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Augmentation allowed.

**RECYCLING OPERATING**

Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)

Personal Services	56,700	56,741
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Other Operating Expense	172,930	172,930
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Augmentation allowed.

**STATE ENERGY PROGRAM**

Total Operating Expense	283,648	283,648
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**FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION**

**ADMINISTRATIVE AND FINANCIAL SERVICES**

From the General Fund

7,131,894	7,137,741
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From the Training 2000 Fund (IC 4-4-4.6-6)

185,630	185,630
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From the Industrial Development Grant Fund

52,139	52,139
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The amounts specified from the General Fund, Skills 2016 Fund, and Industrial Development Grant Fund are for the following purposes:

Total Operating Expense	7,369,663	7,375,510
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**INTERNATIONAL TRADE**



	<i>FY 2005-2006</i>	<i>FY 2006-2007</i>	<i>Biennial</i>
	<i>Appropriation</i>	<i>Appropriation</i>	<i>Appropriation</i>
1	<b>Total Operating Expense</b>	<b>1,394,676</b>	<b>1,394,676</b>
2	<b>ENTERPRISE ZONE PROGRAM</b>		
3	<b>Indiana Enterprise Zone Fund (IC 4-4-6.1-2.3)</b>		
4	<b>Total Operating Expense</b>	<b>260,024</b>	<b>260,065</b>
5	<b>Augmentation allowed.</b>		
6	<b>LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/</b>		
7	<b>REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION</b>		
8	<b>(LEDO/REDO) MATCHING GRANT PROGRAM</b>		
9	<b>Total Operating Expense</b>		<b>1,900,000</b>
10	<b>TRAINING 2000</b>		
11	<b>Total Operating Expense</b>		<b>23,150,038</b>
12	<b>BUSINESS PROMOTION PROGRAM</b>		
13	<b>Total Operating Expense</b>		<b>2,271,508</b>
14	<b>TRADE PROMOTION PROGRAM</b>		
15	<b>Total Operating Expense</b>	<b>200,000</b>	<b>200,000</b>
16	<b>ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM</b>		
17	<b>Total Operating Expense</b>		<b>1,200,000</b>
18	<b>INDUSTRIAL DEVELOPMENT GRANT PROGRAM</b>		
19	<b>Total Operating Expense</b>		<b>6,500,000</b>
20	<b>21ST CENTURY RESEARCH &amp; TECHNOLOGY FUND</b>		
21	<b>Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)</b>		
22	<b>Total Operating Expense</b>	<b>37,500,000</b>	<b>37,500,000</b>
23	<b>TECHNOLOGY DEVELOPMENT GRANT PROGRAM</b>		
24	<b>Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)</b>		
25	<b>Total Operating Expense</b>	<b>4,500,000</b>	<b>4,500,000</b>
26			
27	<b>FOR THE INDIANA FINANCE AUTHORITY (IFA)</b>		
28	<b>CAPITAL ACCESS PROGRAM</b>		
29	<b>Total Operating Expense</b>		<b>1,242,500</b>
30	<b>ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM</b>		
31	<b>Total Operating Expense</b>		<b>2,500,000</b>
32	<b>PROJECT GUARANTY PROGRAM</b>		
33	<b>Total Operating Expense</b>		<b>1,800,000</b>
34	<b>BUSINESS DEVELOPMENT LOAN PROGRAM</b>		
35	<b>Total Operating Expense</b>		<b>2,000,000</b>
36			
37	<b>C. EMPLOYMENT SERVICES</b>		
38			
39	<b>FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT</b>		
40	<b>ADMINISTRATION</b>		
41	<b>Total Operating Expense</b>	<b>1,148,027</b>	<b>1,148,027</b>
42	<b>WOMEN'S COMMISSION</b>		
43	<b>Personal Services</b>	<b>113,666</b>	<b>113,746</b>
44	<b>Other Operating Expense</b>	<b>5,153</b>	<b>5,153</b>
45	<b>COMMISSION ON HISPANIC/LATINO AFFAIRS</b>		
46	<b>Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)</b>		
47	<b>Total Operating Expense</b>	<b>124,188</b>	<b>124,235</b>
48			
49	<b>The above appropriations are in addition to any funding for the commission derived</b>		



from funds appropriated to the department of workforce development.

#### **D. OTHER ECONOMIC DEVELOPMENT**

##### **FOR THE STATE BUDGET AGENCY**

##### **I-LIGHT FIBER OPTIC SYSTEM**

<b>Total Operating Expense</b>	<b>1,000,000</b>	<b>1,000,000</b>
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#### **SECTION 7. [EFFECTIVE JULY 1, 2005]**

#### **TRANSPORTATION**

##### **FOR THE DEPARTMENT OF TRANSPORTATION**

For the conduct and operation of the department of transportation, the following sums are appropriated for the periods designated, from the state general fund, the public mass transportation fund, the industrial rail service fund, the state highway fund, the motor vehicle highway account, the distressed road fund, the state highway road construction and improvement fund, the motor carrier regulation fund, and the crossroads 2000 fund.

##### **PLANNING AND ADMINISTRATION**

From the State Highway Fund (IC 8-23-9-54)

<b>509,370</b>	<b>509,666</b>
----------------	----------------

From the Public Mass Transportation Fund (IC 8-23-3-8)

<b>207,623</b>	<b>207,744</b>
----------------	----------------

From the Industrial Rail Service Fund (IC 8-3-1.7-2)

<b>30,760</b>	<b>30,778</b>
---------------	---------------

Augmentation allowed from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund.

The amounts specified from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund are for the following purposes:

<b>Personal Services</b>	<b>583,247</b>	<b>583,587</b>
<b>Other Operating Expense</b>	<b>164,506</b>	<b>164,601</b>

The above appropriations may be used to match federal funds available for planning and administration of transportation in Indiana.

##### **INTERMODAL OPERATING**

From the State Highway Fund (IC 8-23-9-54)

<b>533,581</b>	<b>533,915</b>
----------------	----------------

From the Public Mass Transportation Fund (IC 8-23-3-8)

<b>370,542</b>	<b>370,770</b>
----------------	----------------

From the Industrial Rail Service Fund (IC 8-3-1.7-2)

<b>370,542</b>	<b>370,770</b>
----------------	----------------

Augmentation allowed from the State Highway Fund, Public Mass Transportation Fund and Industrial Rail Service Fund.



The amounts specified from the State Highway Fund, the Public Mass Transportation Fund, and the Industrial Rail Service Fund are for the following purposes:

Personal Services	1,096,212	1,096,891	
Other Operating Expense	178,453	178,564	
<b>INTERMODAL GRANT PROGRAM</b>			
Department of Transportation Administration Fund			
Total Operating Expense	42,000	42,000	
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	37,500	37,500	
Augmentation allowed from Public Mass Transportation Fund.			
<b>RAILROAD GRADE CROSSING IMPROVEMENT</b>			
State Highway Fund (IC 8-23-9-54)			
Total Operating Expense	465,000	465,000	
<b>HIGH SPEED RAIL</b>			
Industrial Rail Service Fund			
Matching Funds			40,000
Augmentation allowed.			
<b>PUBLIC MASS TRANSPORTATION</b>			
Public Mass Transportation Fund (IC 8-23-3-8)			
Total Operating Expense	31,009,377	31,628,396	
Augmentation allowed.			

The appropriations are to be used solely for the promotion and development of public transportation. The department of transportation shall allocate funds based on a formula approved by the commissioner of the department of transportation.

The department of transportation may distribute public mass transportation funds to an eligible grantee that provides public transportation in Indiana.

The state funds can be used to match federal funds available under the Federal Transit Act (49 U.S.C. 1601, et seq.), or local funds from a requesting grantee.

Before funds may be disbursed to a grantee, the grantee must submit its request for financial assistance to the department of transportation for approval. Allocations must be approved by the governor and the budget agency after review by the budget committee and shall be made on a reimbursement basis. Only applications for capital and operating assistance may be approved. Only those grantees that have met the reporting requirements under IC 8-23-3 are eligible for assistance under this appropriation.

#### **HIGHWAY OPERATING**

State Highway Fund (IC 8-23-9-54)

Personal Services	207,986,295	208,125,958
Other Operating Expense	40,256,068	40,255,120

The above appropriations for personal services and other operating expense include an increase of 4,325,383 each year to add additional professional staff and equipment



to increase the department's plan design and right-of-way capability.

### **HIGHWAY BUILDINGS AND GROUNDS**

State Highway Fund (IC 8-23-9-54)

Total Operating Expense		10,000,000
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The above appropriations for highway buildings and grounds may be used for land acquisition, site development, construction and equipping of new highway facilities and for maintenance, repair, and rehabilitation of existing state highway facilities after review by the budget committee.

### **HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT**

State Highway Fund (IC 8-23-9-54)

Other Operating Expense	18,820,600	18,820,600
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The above appropriations for highway operating and highway vehicle and road maintenance equipment may be used for personal services, equipment, and other operating expense, including the cost of transportation for the governor.

### **HIGHWAY MAINTENANCE WORK PROGRAM**

State Highway Fund (IC 8-23-9-54)

Other Operating Expense	74,000,000	74,000,000
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The above appropriations for the highway maintenance work program may be used for:

- (1) materials for patching roadways and shoulders;
- (2) repairing and painting bridges;
- (3) installing signs and signals and painting roadways for traffic control;
- (4) mowing, herbicide application, and brush control;
- (5) drainage control;
- (6) maintenance of rest areas, public roads on properties of the department of natural resources, and driveways on the premises of all state facilities;
- (7) materials for snow and ice removal;
- (8) utility costs for roadway lighting; and
- (9) other special maintenance and support activities consistent with the highway maintenance work program.

### **HIGHWAY CAPITAL IMPROVEMENTS**

State Highway Fund (IC 8-23-9-54)

Right-of-Way Expense	17,000,000	17,000,000
Formal Contracts Expense	156,736,104	157,122,472
Consulting Services Expense	22,300,000	24,000,000
Institutional Road Construction	5,000,000	5,000,000

The above appropriations for the capital improvements program may be used for:

- (1) bridge rehabilitation and replacement;
- (2) road construction, reconstruction, or replacement;
- (3) construction, reconstruction, or replacement of travel lanes, intersections, grade separations, rest parks, and weigh stations;
- (4) relocation and modernization of existing roads;



- (5) resurfacing;
- (6) erosion and slide control;
- (7) construction and improvement of railroad grade crossings, including the use of the appropriations to match federal funds for projects;
- (8) small structure replacements;
- (9) safety and spot improvements; and
- (10) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

The foregoing appropriations for highway operating, highway vehicles and road maintenance equipment, highway buildings and grounds, the highway planning and research program, the highway maintenance work program, and highway capital improvements are appropriated from estimated revenues, which include the following:

- (1) Funds distributed to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4).
- (2) Funds distributed to the state highway fund from the highway, road and street fund under IC 8-14-2-3.
- (3) All fees and miscellaneous revenues deposited in or accruing to the state highway fund under IC 8-23-9-54.
- (4) Any unencumbered funds carried forward in the state highway fund from any previous fiscal year.
- (5) All other funds appropriated or made available to the department of transportation by the general assembly.

If funds from sources set out above for the department of transportation exceed appropriations from those sources to the department, the excess amount is hereby appropriated to be used for formal contracts with approval of the governor and the budget agency.

If there is a change in a statute reducing or increasing revenue for department use, the budget agency shall notify the auditor of state to adjust the above appropriations to reflect the estimated increase or decrease. Upon the request of the department, the budget agency, with the approval of the governor, may allot any increase in appropriations to the department for formal contracts.

If the department of transportation finds that an emergency exists or that an appropriation will be insufficient to cover expenses incurred in the normal operation of the department, the budget agency may, upon request of the department, and with the approval of the governor, transfer funds from revenue sources set out above from one (1) appropriation to the deficient appropriation. Transfers exceeding \$1,000,000 must be reviewed by the budget committee. No appropriation from the state highway fund may be used to fund any toll road or toll bridge project except as specifically provided for under IC 8-15-2-20.

#### **HIGHWAY PLANNING AND RESEARCH PROGRAM**

State Highway Fund (IC 8-23-9-54)

Total Operating Expense	3,500,000	3,500,000
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#### **STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM**

State Highway Road Construction Improvement Fund (IC 8-14-10-5)



1	<b>Lease Rental Payments Expense</b>	<b>65,875,392</b>	<b>66,534,146</b>
2	<b>Augmentation allowed.</b>		

3

4 The above appropriations for the state highway road construction and improvement

5 program are appropriated from the state highway road construction and improvement

6 fund provided in IC 8-14-10-5 and may include any unencumbered funds carried forward

7 from any previous fiscal year. The funds may be used for:

8 (1) road and bridge construction, reconstruction, or replacement;

9 (2) construction, reconstruction, or replacement of travel lanes, intersections,

10 grade separations;

11 (3) relocation and modernization of existing roads;

12 (4) right-of-way, relocation, and engineering and consulting expenses associated

13 with any of the above types of projects; and

14 (5) payment of rentals and leases relating to projects under IC 8-14.5.

15

16 **CROSSROADS 2000 PROGRAM**

17 **Crossroads 2000 Fund (IC 8-14-10-9)**

18	<b>Formal Contracts Expense</b>	<b>13,093,301</b>	<b>437,179</b>
19	<b>Lease Rental Payment Expense</b>	<b>37,200,000</b>	<b>37,200,000</b>

20 **Augmentation allowed.**

21

22 The above appropriations for the crossroads 2000 program are appropriated from the

23 crossroads 2000 fund provided in IC 8-14-10-9 and may include any unencumbered funds

24 carried forward from any previous fiscal year. The funds may be used for:

25 (1) road and bridge construction, reconstruction, or replacement;

26 (2) construction, reconstruction, or replacement of travel lanes, intersections,

27 grade separations;

28 (3) relocation and modernization of existing roads;

29 (4) right-of-way, relocation, and engineering and consulting expenses associated

30 with any of the above types of projects; and

31 (5) payment of rentals and leases relating to projects under IC 8-14.5.

32

33 **FEDERAL APPORTIONMENT**

34	<b>Right-of-Way Expense</b>	<b>42,500,000</b>	<b>42,500,000</b>
35	<b>Formal Contracts Expense</b>	<b>324,500,000</b>	<b>354,740,000</b>
36	<b>Consulting Engineers Expense</b>	<b>51,000,000</b>	<b>60,760,000</b>
37	<b>Highway Planning and Research</b>	<b>13,000,000</b>	<b>13,000,000</b>
38	<b>Local Government Revolving Acct.</b>	<b>140,000,000</b>	<b>140,000,000</b>
39	<b>Formal Contracts - Crossroads</b>	<b>40,000,000</b>	<b>0</b>

40

41 The department may establish an account to be known as the "local government revolving

42 account". The account is to be used to administer the federal-local highway construction

43 program. All contracts issued and all funds received for federal-local projects under

44 this program shall be entered into this account.

45

46 If the federal apportionments for the fiscal years covered by this act exceed the

47 above estimated appropriations for the department or for local governments, the excess

48 federal apportionment is hereby appropriated for use by the department with the approval

49 of the governor and the budget agency.





The department shall bill, in a timely manner, the federal government for all department payments that are eligible for total or partial reimbursement.

The department may let contracts and enter into agreements for construction and preliminary engineering during each year of the 2005-2007 biennium that obligate not more than one-third (1/3) of the amount of state funds estimated by the department to be available for appropriation in the following year for formal contracts and consulting engineers for the capital improvements program.

Under IC 8-23-5-7(a), the department, with the approval of the governor, may construct and maintain roadside parks and highways where highways will connect any state highway now existing, or hereafter constructed, with any state park, state forest preserve, state game preserve, or the grounds of any state institution. There is appropriated to the department of transportation an amount sufficient to carry out the provisions of this paragraph. Under IC 8-23-5-7(d), such appropriations shall be made from the motor vehicle highway account before distribution to local units of government.

#### LOCAL TECHNICAL ASSISTANCE AND RESEARCH

Under IC 8-14-1-3(6), there is appropriated to the department of transportation an amount sufficient for:

- (1) the program of technical assistance under IC 8-23-2-5(6); and
- (2) the research and highway extension program conducted for local government under IC 8-17-7-4.

The department shall develop an annual program of work for research and extension in cooperation with those units being served, listing the types of research and educational programs to be undertaken. The commissioner of the department of transportation may make a grant under this appropriation to the institution or agency selected to conduct the annual work program. Under IC 8-14-1-3(6), appropriations for the program of technical assistance and for the program of research and extension shall be taken from the local share of the motor vehicle highway account.

Under IC 8-14-1-3(7) there is hereby appropriated such sums as are necessary to maintain a sufficient working balance in accounts established to match federal and local money for highway projects. These funds are appropriated from the following sources in the proportion specified:

- (1) one-half (1/2) from the forty-seven percent (47%) set aside of the motor vehicle highway account under IC 8-14-1-3(7); and
- (2) for counties and for those cities and towns with a population greater than five thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

#### SECTION 8. [EFFECTIVE JULY 1, 2005]

#### FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

##### A. FAMILY AND SOCIAL SERVICES



**FOR THE BUDGET AGENCY**

**FSSA/DEPARTMENT OF HEALTH INSTITUTIONAL CONTINGENCY FUND**

<b>Total Operating Expense</b>		<b>2,000,000</b>
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The above institutional contingency fund shall be allotted upon the recommendation of the budget agency with approval of the governor. This appropriation may be used to supplement individual hospital, state developmental center, and special institutions budgets.

**INDIANA PRESCRIPTION DRUG PROGRAM**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>8,000,000</b>	<b>8,000,139</b>
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With the approval of the governor and the budget agency, the above appropriations for the Indiana prescription drug program may be augmented by leveraging for each fiscal year federal Medicaid dollars.

**FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION**

**CHILDREN'S HEALTH INSURANCE PROGRAM**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>29,935,718</b>	<b>33,835,718</b>
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**FAMILY AND SOCIAL SERVICES ADMINISTRATION**

<b>Total Operating Expense</b>	<b>13,816,018</b>	<b>13,823,693</b>
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**COMMISSION ON THE SOCIAL STATUS OF BLACK MALES**

<b>Total Operating Expense</b>	<b>131,628</b>	<b>131,711</b>
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**OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION**

<b>Total Operating Expense</b>	<b>5,458,790</b>	<b>5,462,653</b>
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**MEDICAID ADMINISTRATION**

<b>Total Operating Expense</b>	<b>49,500,000</b>	<b>49,500,000</b>
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**MEDICAID - CURRENT OBLIGATIONS**

**General Fund**

<b>Total Operating Expense</b>	<b>1,397,100,000</b>	<b>1,467,000,000</b>
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**Hospital Care for the Indigent Fund (IC 12-16-14-6)**

<b>Total Operating Expense</b>	<b>21,700,000</b>	<b>21,700,000</b>
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**Augmentation allowed.**

The foregoing appropriations for Medicaid current obligations and for Medicaid administration are for the purpose of enabling the office of Medicaid policy and planning to carry out all services as provided in IC 12-8-6. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the office of Medicaid policy and planning for the respective purposes for which the money was allocated and paid to the state. Subject to the provisions of P.L.46-1995, if the sums herein appropriated for Medicaid current obligations and for Medicaid administration are insufficient to enable the office of Medicaid policy and planning to meet its obligations, then there is appropriated from the general fund such further sums as may be necessary for that purpose, subject to the approval of the governor and the budget agency.



Subject to the approval of the governor and the budget agency, the foregoing appropriations for Medicaid - Current Obligations may be augmented or reduced based on revenues accruing to the hospital care for the indigent fund.

**MEDICAID DISABILITY ELIGIBILITY EXAMS**

Total Operating Expense	3,195,000	3,195,000
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**MENTAL HEALTH ADMINISTRATION**

Other Operating Expense	2,365,294	2,365,294
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**SERIOUSLY EMOTIONALLY DISTURBED**

Total Operating Expense	16,469,493	16,469,493
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**SERIOUSLY MENTALLY ILL**

**General Fund**

Total Operating Expense	93,862,579	93,862,579
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**Mental Health Centers Fund (IC 6-7-1)**

Total Operating Expense	4,445,000	4,445,000
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Augmentation allowed.

**COMMUNITY MENTAL HEALTH CENTERS**

**Tobacco Master Settlement Fund (IC 4-12-1-14.3)**

Total Operating Expense	2,000,000	2,000,000
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The above appropriation from the Tobacco Master Settlement Fund is in addition to other funds. The above appropriations for comprehensive community mental health services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid rehabilitation option.

The comprehensive community mental health centers shall submit their proposed annual budgets (including income and operating statements) to the budget agency on or before August 1 of each year. All federal funds shall be applied in augmentation of the foregoing funds rather than in place of any part of the funds. The office of the secretary, with the approval of the budget agency, shall determine an equitable allocation of the appropriation among the mental health centers.

**GAMBLERS' ASSISTANCE**

**Gamblers' Assistance Fund (IC 4-33-12-6)**

Total Operating Expense	4,250,000	4,250,000
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**SUBSTANCE ABUSE TREATMENT**

Total Operating Expense	5,006,000	5,006,000
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**QUALITY ASSURANCE/RESEARCH**

Total Operating Expense	884,304	884,304
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**PREVENTION**

**Gamblers' Assistance Fund (IC 4-33-12-6)**

Total Operating Expense	2,946,936	2,946,936
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Augmentation allowed.

**METHADONE DIVERSION CONTROL OVERSIGHT (MDCO) PROGRAM**

**MDCO Fund (IC 12-23-18)**

Total Operating Expense	26,269	26,269
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Augmentation allowed.

**DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM**



1	<b>Gamblers' Assistance Fund (IC 4-33-12-6)</b>		
2	<b>Total Operating Expense</b>	<b>54,000</b>	<b>54,000</b>
3	<b>Augmentation allowed.</b>		

4	<b>EVANSVILLE STATE HOSPITAL</b>		
5	<b>General Fund</b>		
6		<b>22,395,551</b>	<b>22,407,654</b>
7	<b>Mental Health Fund (IC 12-24-14-4)</b>		
8		<b>1,235,014</b>	<b>1,235,682</b>
9	<b>Augmentation allowed.</b>		

10

11 The amounts specified from the general fund and the mental health fund are for the

12 following purposes:

13			
14	<b>Personal Services</b>	<b>18,516,201</b>	<b>18,528,972</b>
15	<b>Other Operating Expense</b>	<b>5,114,364</b>	<b>5,114,364</b>
16			

17	<b>LARUE CARTER MEMORIAL HOSPITAL</b>		
18	<b>General Fund</b>		
19		<b>18,887,386</b>	<b>18,895,892</b>
20	<b>Mental Health Fund (IC 12-24-14-4)</b>		
21		<b>443,622</b>	<b>443,822</b>
22	<b>Augmentation allowed.</b>		

23

24 The amounts specified from the general fund and the mental health fund are for the

25 following purposes:

26			
27	<b>Personal Services</b>	<b>12,562,778</b>	<b>12,571,484</b>
28	<b>Other Operating Expense</b>	<b>6,768,230</b>	<b>6,768,230</b>
29			

30	<b>LOGANSPOUT STATE HOSPITAL</b>		
31	<b>General Fund</b>		
32		<b>38,746,342</b>	<b>38,765,733</b>
33	<b>Mental Health Fund (IC 12-24-14-4)</b>		
34		<b>1,764,662</b>	<b>1,765,546</b>
35	<b>Augmentation allowed.</b>		

36

37 The amounts specified from the general fund and the mental health fund are for the

38 following purposes:

39			
40	<b>Personal Services</b>	<b>29,854,331</b>	<b>29,874,606</b>
41	<b>Other Operating Expense</b>	<b>10,656,673</b>	<b>10,656,673</b>
42			

43	<b>FARM REVENUE</b>		
44	<b>Total Operating Expense</b>	<b>53,857</b>	<b>53,857</b>
45			

46	<b>MADISON STATE HOSPITAL</b>		
47	<b>General Fund</b>		
48		<b>20,947,363</b>	<b>20,959,654</b>
49	<b>Mental Health Fund (IC 12-24-14-4)</b>		



6			
7	Personal Services	18,439,326	18,452,093
8	Other Operating Expense	3,319,498	3,319,498

11	<b>General Fund</b>		
12		30,590,520	30,605,663
13	<b>Mental Health Fund (IC 12-24-14-4)</b>		
14		876,500	876,934

19			
20	Personal Services	25,548,982	25,564,559
21	Other Operating Expense	5,918,038	5,918,038

24	Total Operating Expense	316,800	316,800
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**In addition to the above appropriations each institution may qualify for an additional appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%), but not to exceed \$50,000 in each fiscal year, of the amount by which actual net collections exceed an amount specified in writing by the division of mental health and addiction before July 1 of each year beginning July 1, 2005.**

39	Personal Services	4,814,750	4,820,468
40	Other Operating Expense	810,328	810,328

42	<b>Total Operating Expense</b>	<b>6,399,705</b>	<b>6,399,705</b>
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44	<b>Child Care Fund</b>		
45	<b>Total Operating Expense</b>	<b>100,000</b>	<b>100,000</b>

**47 ELECTRONIC BENEFIT TRANSFER PROGRAM**

48	<b>Total Operating Expense</b>	<b>1,800,766</b>	<b>1,800,766</b>
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The foregoing appropriations for the division of family resources Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 12-17-2-31.

**STATE WELFARE - COUNTY ADMINISTRATION**

<b>Total Operating Expense</b>	<b>49,501,684</b>	<b>49,501,684</b>
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The foregoing appropriation may be transferred from FSSA to the department of child services with the approval of the budget agency.

**INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)**

<b>Total Operating Expense</b>	<b>7,007,662</b>	<b>7,007,662</b>
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**IMPACT PROGRAM**

<b>Total Operating Expense</b>	<b>2,449,580</b>	<b>2,449,683</b>
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**TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)**

<b>Total Operating Expense</b>	<b>40,457,943</b>	<b>40,457,943</b>
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**IMPACT - TANF**

<b>Total Operating Expense</b>	<b>5,768,527</b>	<b>5,768,672</b>
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**CHILD CARE & DEVELOPMENT FUND**

<b>Total Operating Expense</b>	<b>35,056,200</b>	<b>35,056,200</b>
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The foregoing appropriations for information systems/technology, education and training, temporary assistance to needy families (TANF), and child care services are for the purpose of enabling the division of family resources to carry out all services as provided in IC 12-14. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the division of family resources for the respective purposes for which such money was allocated and paid to the state.

**DOMESTIC VIOLENCE PREVENTION AND TREATMENT**

**General Fund**

<b>Total Operating Expense</b>	<b>1,000,000</b>	<b>1,000,000</b>
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**Domestic Violence Prevention and Treatment Fund (IC 12-18-4)**

<b>Total Operating Expense</b>	<b>1,000,000</b>	<b>1,000,000</b>
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Augmentation allowed.

**STEP AHEAD**

<b>Total Operating Expense</b>	<b>1,789,082</b>	<b>1,789,312</b>
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**FOOD ASSISTANCE PROGRAM**

<b>Total Operating Expense</b>	<b>145,506</b>	<b>145,506</b>
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**SCHOOL AGE CHILD CARE PROJECT FUND**

<b>Total Operating Expense</b>	<b>550,000</b>	<b>550,000</b>
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**DIVISION OF DISABILITY, AGING, AND REHABILITATIVE SERVICES ADMINISTRATION**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>3,012,462</b>	<b>3,012,462</b>
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The above appropriations for the division of disability, aging, and rehabilitative services administration are for administrative expenses. Any federal fund reimbursements received for such purposes are to be deposited in the general fund.



<b>1</b>	<b>ROOM AND BOARD ASSISTANCE (R-CAP)</b>		
<b>2</b>	<b>Total Operating Expense</b>	<b>11,421,472</b>	<b>11,421,472</b>
<b>3</b>	<b>C.H.O.I.C.E. IN-HOME SERVICES</b>		
<b>4</b>	<b>Total Operating Expense</b>	<b>48,765,643</b>	<b>48,765,897</b>

5  
6   The foregoing appropriations for C.H.O.I.C.E. In-Home Services include  
7   intragovernmental transfers to provide the nonfederal share of the Medicaid aged and  
8   disabled waiver. In addition to the Medicaid aged and disabled waivers provided under  
9   intragovernmental transfers, additional funds may be used each year for Medicaid aged  
10   and disabled waivers. The family and social services administration shall cause the  
11   utilization of co-payments for C.H.O.I.C.E. In-Home Services that is proportional  
12   to an individual's income.

13  
14   If the appropriations for C.H.O.I.C.E. In-Home Services are insufficient to  
15   provide services to all eligible persons, the division of disability, aging, and  
16   rehabilitative services may give priority for services to persons who are unable  
17   to perform four (4) or more activities of daily living (as defined in IC 12-10-10-1.5).  
18   The division of disability, aging, and rehabilitative services may discontinue  
19   conducting assessments for individuals applying for services under the C.H.O.I.C.E.  
20   In-Home Services program if a waiting list for such services exists.

21  
22   The division of disability, aging, and rehabilitative services shall conduct an annual  
23   evaluation of the cost effectiveness of providing home care. Before January of each  
24   year, the division shall submit a report to the budget committee, the budget agency,  
25   and the legislative council that covers all aspects of the division's evaluation  
26   and such other information pertaining thereto as may be requested by the budget committee,  
27   the budget agency, or the legislative council, including the following:

- 28   (1) the number and demographic characteristics of the recipients of home care during  
29   the preceding fiscal year;  
30   (2) the total cost and per recipient cost of providing home care services during  
31   the preceding fiscal year;  
32   (3) the number of recipients of home care services who would have been placed in  
33   long term care facilities had they not received home care services; and  
34   (4) the total cost savings during the preceding fiscal year realized by the state  
35   due to recipients of home care services (including Medicaid) being diverted from  
36   long term care facilities.

37   The division shall obtain from providers of services data on their costs and expenditures  
38   regarding implementation of the program and report the findings to the budget committee,  
39   the budget agency, and the legislative council.

<b>40</b>			
<b>41</b>	<b>OLDER HOOSIERS ACT</b>		
<b>42</b>	<b>Total Operating Expense</b>	<b>1,842,109</b>	<b>1,842,109</b>
<b>43</b>	<b>ADULT PROTECTIVE SERVICES</b>		
<b>44</b>	<b>Total Operating Expense</b>	<b>2,021,540</b>	<b>2,021,540</b>
<b>45</b>	<b>ADULT GUARDIANSHIP SERVICES</b>		
<b>46</b>	<b>Total Operating Expense</b>	<b>491,863</b>	<b>491,892</b>
<b>47</b>	<b>TITLE V EMPLOYMENT GRANT (OLDER WORKERS)</b>		
<b>48</b>	<b>Total Operating Expense</b>	<b>6,436</b>	<b>6,436</b>
<b>49</b>	<b>TITLE III ADMINISTRATION GRANT</b>		



		<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	<b>Total Operating Expense</b>	<b>307,282</b>	<b>307,446</b>	
2	<b>OMBUDSMAN</b>			
3	<b>Total Operating Expense</b>	<b>305,226</b>	<b>305,226</b>	
4	<b>VOCATIONAL REHABILITATION SERVICES</b>			
5	<b>Personal Services</b>	<b>3,440,619</b>	<b>3,443,026</b>	
6	<b>Other Operating Expense</b>	<b>14,133,156</b>	<b>14,133,156</b>	
7	<b>AID TO INDEPENDENT LIVING</b>			
8	<b>Total Operating Expense</b>	<b>22,008</b>	<b>22,008</b>	
9	<b>OFFICE OF DEAF AND HEARING IMPAIRED</b>			
10	<b>Personal Services</b>	<b>285,036</b>	<b>285,235</b>	
11	<b>Other Operating Expense</b>	<b>211,396</b>	<b>211,396</b>	
12	<b>BLIND VENDING OPERATIONS</b>			
13	<b>Total Operating Expense</b>	<b>129,879</b>	<b>129,905</b>	
14	<b>DEVELOPMENTAL DISABILITY RESIDENTIAL FACILITIES COUNCIL</b>			
15	<b>Personal Services</b>	<b>2,970</b>	<b>2,970</b>	
16	<b>Other Operating Expense</b>	<b>13,168</b>	<b>13,168</b>	
17	<b>OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED</b>			
18	<b>Personal Services</b>	<b>255,036</b>	<b>255,036</b>	
19	<b>Other Operating Expense</b>	<b>73,907</b>	<b>73,907</b>	
20	<b>EMPLOYEE TRAINING</b>			
21	<b>Total Operating Expense</b>	<b>6,112</b>	<b>6,112</b>	
22	<b>MEDICAID WAIVER</b>			
23	<b>Total Operating Expense</b>	<b>316,333</b>	<b>316,390</b>	
24	<b>OBRA/PASSARR</b>			
25	<b>Total Operating Expense</b>	<b>90,212</b>	<b>90,268</b>	
26	<b>BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS</b>			
27	<b>Total Operating Expense</b>	<b>1,919,027</b>	<b>1,919,027</b>	
28	<b>DAY SERVICES - DEVELOPMENTALLY DISABLED</b>			
29	<b>Other Operating Expense</b>	<b>22,976,381</b>	<b>22,976,381</b>	
30	<b>DIAGNOSIS AND EVALUATION</b>			
31	<b>Other Operating Expense</b>	<b>930,788</b>	<b>930,788</b>	
32	<b>SUPPORTED EMPLOYMENT</b>			
33	<b>Other Operating Expense</b>	<b>3,117,498</b>	<b>3,117,498</b>	
34	<b>EPILEPSY PROGRAM</b>			
35	<b>Other Operating Expense</b>	<b>460,954</b>	<b>460,954</b>	
36	<b>FAMILY SUBSIDY PROGRAM</b>			
37	<b>Other Operating Expense</b>	<b>1,004,700</b>	<b>1,004,700</b>	
38	<b>RESIDENTIAL SERVICES - CASE MANAGEMENT</b>			
39	<b>General Fund</b>			
40	<b>Total Operating Expense</b>	<b>4,436,985</b>	<b>4,436,985</b>	
41	<b>Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)</b>			
42	<b>Total Operating Expense</b>	<b>2,050,626</b>	<b>2,050,626</b>	
43	<b>Augmentation allowed.</b>			
44	<b>RESIDENTIAL SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS</b>			
45	<b>General Fund</b>			
46	<b>Total Operating Expense</b>	<b>91,749,831</b>	<b>107,967,677</b>	
47	<b>Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)</b>			
48	<b>Total Operating Expense</b>	<b>22,300,000</b>	<b>22,300,000</b>	
49				





The above appropriations for client services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid program for day services provided to residents of group homes and nursing facilities.

In the development of new community residential settings for persons with developmental disabilities, the division of disability, aging, and rehabilitative services must give priority to the appropriate placement of such persons who are eligible for Medicaid and currently residing in intermediate care or skilled nursing facilities and, to the extent permitted by law, such persons who reside with aged parents or guardians or families in crisis.

#### **FORT WAYNE STATE DEVELOPMENTAL CENTER**

##### **General Fund**

<b>359,900</b>	<b>359,900</b>
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##### **Mental Health Fund (IC 12-24-14-4)**

<b>1,838,145</b>	<b>1,839,050</b>
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Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

<b>Personal Services</b>	<b>1,625,184</b>	<b>1,626,089</b>
<b>Other Operating Expense</b>	<b>572,861</b>	<b>572,861</b>

The federal share of revenue accruing to the state developmental centers under IC 12-15, based on the applicable Federal Medicaid Assistance Percentage (FMAP), shall be deposited in the mental health fund established under IC 12-24-14, and the remainder shall be deposited in the general fund.

In addition to the above appropriations, each institution may qualify for an additional appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%) but not to exceed \$50,000, of the amount in which actual net collections exceed an amount specified in writing by the division of disability, aging, and rehabilitative services before July 1 of each year beginning July 1, 2005.

#### **FOR THE DEPARTMENT OF CHILD SERVICES**

##### **DEPARTMENT OF CHILD SERVICES - ADMINISTRATION**

<b>Personal Services</b>	<b>53,706,520</b>	<b>61,626,520</b>
<b>Other Operating Expense</b>	<b>8,454,011</b>	<b>8,454,011</b>

The foregoing appropriation may be transferred from the department of child services to FSSA with the approval of the budget agency.

##### **DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION**

<b>Personal Services</b>	<b>861,254</b>	<b>861,254</b>
<b>Other Operating Expense</b>	<b>124,274</b>	<b>124,274</b>

##### **CHILD WELFARE SERVICES STATE GRANTS**

##### **General Fund**



	<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	<b>Total Operating Expense</b>	<b>10,698,884</b>	<b>10,698,884</b>
2	<b>Excise and Financial Institution Taxes</b>		
3	<b>Total Operating Expense</b>	<b>6,275,000</b>	<b>6,275,000</b>
4	<b>Augmentation allowed.</b>		
5	<b>TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)</b>		
6	<b>Total Operating Expense</b>	<b>3,969,158</b>	<b>3,971,838</b>
7			
8	<b>The foregoing appropriations for the department of child services Title IV-D of</b>		
9	<b>the federal Social Security Act are made under, and not in addition to, IC 12-17-2-31.</b>		
10			
11	<b>INDEPENDENT LIVING TRANSITIONAL SERVICES</b>		
12	<b>Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)</b>		
13	<b>Total Operating Expense</b>	<b>1,000,000</b>	<b>1,000,000</b>
14	<b>YOUTH SERVICE BUREAU</b>		
15	<b>Total Operating Expense</b>	<b>1,250,000</b>	<b>1,250,000</b>
16			
17	<b>The department of child services shall establish standards for youth service bureaus.</b>		
18	<b>Any youth service bureau that is not an agency of a unit of local government or is</b>		
19	<b>not registered with the Indiana secretary of state as a nonprofit corporation shall</b>		
20	<b>not be funded. The department of child services shall fund all youth service bureaus</b>		
21	<b>that meet the standards as established June 30, 1983. However, a grant may not be</b>		
22	<b>made without approval by the budget agency after review by the budget committee.</b>		
23			
24	<b>PROJECT SAFEPLACE</b>		
25	<b>Total Operating Expense</b>	<b>125,000</b>	<b>125,000</b>
26			
27	<b>HEALTHY FAMILIES INDIANA</b>		
28	<b>Total Operating Expense</b>	<b>6,223,086</b>	<b>6,223,086</b>
29	<b>TITLE IV-B CHILD WELFARE ADMINISTRATION</b>		
30	<b>Total Operating Expense</b>	<b>484,286</b>	<b>484,560</b>
31	<b>CHILD WELFARE TRAINING</b>		
32	<b>Total Operating Expense</b>	<b>1,106,281</b>	<b>1,106,281</b>
33	<b>SPECIAL NEEDS ADOPTION II</b>		
34	<b>Personal Services</b>	<b>231,108</b>	<b>231,271</b>
35	<b>Other Operating Expense</b>	<b>445,797</b>	<b>445,797</b>
36	<b>ADOPTION ASSISTANCE</b>		
37	<b>Total Operating Expense</b>	<b>7,954,083</b>	<b>7,954,083</b>
38			
39	<b>The foregoing appropriations for Title IV-B child welfare and adoption assistance</b>		
40	<b>represent the maximum state match for Title IV-B and Title IV-E.</b>		
41			
42	<b>SOCIAL SERVICES BLOCK GRANT (SSBG)</b>		
43	<b>Total Operating Expense</b>	<b>20,863,880</b>	<b>20,864,042</b>
44			
45	<b>The funds appropriated above to the social services block grant are allocated in</b>		
46	<b>the following manner during the biennium:</b>		
47			
48	<b>Division of Disability, Aging, and Rehabilitative Services</b>		
49	<b>1,030,877</b>	<b>1,030,877</b>	



**Division of Family Resources**

<b>12,725,150</b>	<b>12,725,150</b>
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**Department of Child Services**

<b>5,515,999</b>	<b>5,516,161</b>
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**Department of Health**

<b>296,504</b>	<b>296,504</b>
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**Department of Correction**

<b>1,295,350</b>	<b>1,295,350</b>
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**NON-RECURRING ADOPTION ASSISTANCE**

<b>Total Operating Expense</b>	<b>625,000</b>	<b>625,000</b>
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**INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)**

<b>Total Operating Expense</b>	<b>4,067,520</b>	<b>4,067,718</b>
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**CHILD PROTECTION AUTOMATION PROJECT (ICWIS)**

<b>Total Operating Expense</b>	<b>5,260,522</b>	<b>5,260,550</b>
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**B. PUBLIC HEALTH**

**FOR THE STATE DEPARTMENT OF HEALTH**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Personal Services</b>	<b>22,131,052</b>	<b>22,146,865</b>
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<b>Other Operating Expense</b>	<b>5,194,560</b>	<b>5,194,560</b>
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All receipts to the state department of health from licenses or permit fees shall be deposited in the state general fund. Augmentation allowed in amounts not to exceed additional revenue from penalties or fees enacted or implemented for collection by the state department of health after January 1, 2003.

**CANCER REGISTRY**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>253,651</b>	<b>253,803</b>
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**MINORITY HEALTH INITIATIVE**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>2,091,224</b>	<b>2,091,224</b>
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The foregoing appropriations shall be allocated to the Indiana Minority Health Coalition to work with the state department on the implementation of IC 16-46-11.

**SICKLE CELL**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>232,500</b>	<b>232,500</b>
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**AID TO COUNTY TUBERCULOSIS HOSPITALS**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Other Operating Expense</b>	<b>107,397</b>	<b>107,397</b>
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These funds shall be used for eligible expenses according to IC 16-21-7-3 for tuberculosis patients for whom there are no other sources of reimbursement, including patient resources, health insurance, medical assistance payments, and hospital care for the indigent.



**MEDICARE-MEDICAID CERTIFICATION**

<b>Total Operating Expense</b>	<b>6,132,535</b>	<b>6,136,279</b>
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Personal services augmentation allowed in amounts not to exceed additional revenue from health facilities license fee increases or from health care providers (as defined in IC 16-18-2-163) fee increases enacted after January 1, 2003, or adopted by the Executive Board of the Indiana State Department of Health pursuant to IC 16-19-3.

**AIDS EDUCATION**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Personal Services</b>	<b>421,851</b>	<b>422,146</b>
<b>Other Operating Expense</b>	<b>277,953</b>	<b>277,953</b>

**HIV/AIDS SERVICES**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>2,325,004</b>	<b>2,325,004</b>
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**TEST FOR DRUG AFFLICTED BABIES**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>62,496</b>	<b>62,496</b>
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The above appropriations for drug afflicted babies shall be used for the following purposes:

- (1) All newborn infants shall be tested for the presence of a controlled substance in the infant's meconium if they meet the criteria established by the state department of health. These criteria will, at a minimum, include all newborns, if at birth:
  - (A) the infant's weight is less than two thousand five hundred (2,500) grams;
  - (B) the infant's head is smaller than the third percentile for the infant's gestational age; and
  - (C) there is no medical explanation for the conditions described in clauses (A) and (B).
- (2) If a meconium test determines the presence of a controlled substance in the infant's meconium, the infant may be declared a child in need of services as provided in IC 31-34-1-10 through IC 31-34-1-13. However, the child's mother may not be prosecuted in connection with the results of the test.
- (3) The state department of health shall provide forms on which the results of a meconium test performed on an infant under subdivision (1) must be reported to the state department of health by physicians and hospitals.
- (4) The state department of health shall, at least semi-annually:
  - (A) ascertain the extent of testing under this chapter; and
  - (B) report its findings under subdivision (1) to:
    - (i) all hospitals;
    - (ii) physicians who specialize in obstetrics and gynecology or work with infants and young children; and
    - (iii) any other group interested in child welfare that requests a copy of the report from the state department of health.
- (5) The state department of health shall designate at least one (1) laboratory to perform the meconium test required under subdivisions (1) through (8). The designated laboratories shall perform a meconium test on each infant described in subdivision (1) to detect the presence of a controlled substance.
- (6) Subdivisions (1) through (7) do not prevent other facilities from conducting tests on infants to detect the presence of a controlled substance.



- (7) Each hospital and physician shall:
- (A) take or cause to be taken a meconium sample from every infant born under the hospital's and physician's care who meets the description under subdivision (1); and
- (B) transport or cause to be transported each meconium sample described in clause (A) to a laboratory designated under subdivision (5) to test for the presence of a controlled substance as required under subdivisions (1) through (7).
- (8) The state department of health shall establish guidelines to carry out this program, including guidance to physicians, medical schools, and birthing centers as to the following:
- (A) Proper and timely sample collection and transportation under subdivision (7) of this appropriation.
- (B) Quality testing procedures at the laboratories designated under subdivision (5) of this appropriation.
- (C) Uniform reporting procedures.
- (D) Appropriate diagnosis and management of affected newborns and counseling and support programs for newborns' families.
- (9) A medically appropriate discharge of an infant may not be delayed due to the results of the test described in subdivision (1) or due to the pendency of the results of the test described in subdivision (1).

#### STATE CHRONIC DISEASES

##### Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Personal Services	100,449	100,519
Other Operating Expense	444,398	444,398

At least \$82,560 of the above appropriations shall be for grants to community groups and organizations as provided in IC 16-46-7-8.

#### WOMEN, INFANTS, AND CHILDREN SUPPLEMENT

##### Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	176,700	176,700
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#### MATERNAL AND CHILD HEALTH SUPPLEMENT

##### Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	176,700	176,700
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Notwithstanding IC 6-7-1-30.2, the above appropriations for the women, infants, and children supplement and maternal and child health supplement are the total appropriations provided for this purpose.

#### CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER

##### Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	93,000	93,000
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#### CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER

##### Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

Total Operating Expense	93,000	93,000
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#### ADOPTION HISTORY

##### Adoption History Fund (IC 31-19-18-6)

Total Operating Expense	187,354	187,472
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Augmentation allowed.



**CHILDREN WITH SPECIAL HEALTH CARE NEEDS**

<b>Total Operating Expense</b>	<b>5,808,756</b>	<b>5,809,042</b>
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**NEWBORN SCREENING PROGRAM**

**Newborn Screening Fund (IC 16-41-17-11)**

<b>Personal Services</b>	<b>406,346</b>	<b>406,607</b>
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<b>Other Operating Expense</b>	<b>817,780</b>	<b>817,780</b>
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Augmentation allowed.

**INDIANA HEALTH CARE PROFESSIONAL RECRUITMENT AND RETENTION**

**Indiana Medical and Nursing Grant Fund (IC 16-46-5-8)**

<b>Total Operating Expense</b>	<b>137,201</b>	<b>137,201</b>
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Augmentation allowed.

**RADON GAS TRUST FUND**

**Radon Gas Trust Fund (IC 16-41-38-8)**

<b>Total Operating Expense</b>	<b>14,701</b>	<b>14,701</b>
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Augmentation allowed.

**BIRTH PROBLEMS REGISTRY**

**Birth Problems Registry Fund (IC 16-38-4-17)**

<b>Personal Services</b>	<b>31,356</b>	<b>31,375</b>
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<b>Other Operating Expense</b>	<b>12,070</b>	<b>12,070</b>
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Augmentation allowed.

**MOTOR FUEL INSPECTION PROGRAM**

**Motor Fuel Inspection Fund (IC 16-44-3-10)**

<b>Total Operating Expense</b>	<b>82,448</b>	<b>82,471</b>
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Augmentation allowed.

**PROJECT RESPECT**

<b>Total Operating Expense</b>	<b>596,280</b>	<b>596,280</b>
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**DONATED DENTAL SERVICES**

<b>Total Operating Expense</b>	<b>46,500</b>	<b>46,500</b>
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The above appropriation shall be used by the Indiana foundation for dentistry for the handicapped.

**OFFICE OF WOMEN'S HEALTH**

<b>Total Operating Expense</b>	<b>159,599</b>	<b>159,599</b>
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**SILVERCREST CHILDREN'S DEVELOPMENT CENTER**

<b>Personal Services</b>	<b>7,769,136</b>	<b>7,774,637</b>
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<b>Other Operating Expense</b>	<b>627,805</b>	<b>627,805</b>
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**SOLDIERS' AND SAILORS' CHILDREN'S HOME**

<b>Personal Services</b>	<b>9,556,682</b>	<b>9,563,296</b>
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<b>Other Operating Expense</b>	<b>1,377,441</b>	<b>1,377,441</b>
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Any revenue accruing to the Silvercrest Children's Development Center and Soldiers' and Sailors' Children's Home from the receipt of Medicaid reimbursement shall be deposited in the state general fund.

**INDIANA VETERANS' HOME**

**From the General Fund**

<b>12,530,104</b>	<b>12,542,859</b>
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**From the Comfort - Welfare Fund**



1 11,936,223 11,936,223

2  
3 The amounts specified from the General Fund and the Comfort-Welfare Fund are for the  
4 following purposes:

5			
6	Personal Services	20,124,846	20,137,601
7	Other Operating Expense	4,341,481	4,341,481
8			
9	<b>COMFORT AND WELFARE PROGRAM</b>		
10	Comfort-Welfare Fund (IC 10-17-9-7(c))		
11	Total Operating Expense	5,000,000	5,000,000
12	<b>MINORITY EPIDEMIOLOGY</b>		
13	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
14	Total Operating Expense	500,000	500,000
15	<b>COMMUNITY HEALTH CENTERS</b>		
16	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
17	Total Operating Expense	15,003,071	15,003,197
18	<b>TOBACCO HEALTH PROGRAMS</b>		
19	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
20	Total Operating Expense	2,461,400	2,461,400
21	<b>PRENATAL SUBSTANCE USE &amp; PREVENTION</b>		
22	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
23	Total Operating Expense	150,000	150,000
24	<b>LOCAL HEALTH MAINTENANCE FUND</b>		
25	Local Maintenance Fund (IC 16-46-10-1)		
26	Total Operating Expense	2,460,000	2,460,000
27	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
28	Total Operating Expense	1,400,000	1,400,000

29  
30 The above appropriations for the local health maintenance fund from the tobacco master  
31 settlement agreement fund is in lieu of the appropriation provided for this purpose  
32 in IC 6-7-1-30.5 or any other law. Of the above appropriations for the local health  
33 maintenance fund, \$60,000 each year shall be used to provide additional funding to  
34 adjust funding through the formula in IC 16-46-10 to reflect population increases  
35 in various counties. Money appropriated to the local health maintenance fund must  
36 be allocated under the following schedule each year to each local board of health  
37 whose application for funding is approved by the state department of health:

38		
39	<b>COUNTY POPULATION</b>	<b>AMOUNT OF GRANT</b>
40	over 499,999	94,112
41	100,000 - 499,999	72,672
42	50,000 - 99,999	48,859
43	under 50,000	33,139

44		
45	<b>LOCAL HEALTH DEPARTMENT ACCOUNT</b>	
46	Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)	
47	Total Operating Expense	3,000,000 3,000,000

48  
49 The foregoing appropriations for the local health department account are statutory



distributions pursuant to IC 4-12-7.

**FOR THE TOBACCO USE PREVENTION AND CESSATION BOARD  
TOBACCO USE PREVENTION AND CESSATION PROGRAM**

**Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)**

<b>Total Operating Expense</b>	<b>10,858,441</b>	<b>10,859,308</b>
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**A minimum of 75% of the above appropriations shall be used for grants to local agencies and other entities with programs designed to reduce smoking.**

**FOR THE INDIANA SCHOOL FOR THE BLIND**

<b>Personal Services</b>	<b>10,285,542</b>	<b>10,288,991</b>
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<b>Other Operating Expense</b>	<b>828,069</b>	<b>828,069</b>
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**FOR THE INDIANA SCHOOL FOR THE DEAF**

<b>Personal Services</b>	<b>16,774,951</b>	<b>16,781,064</b>
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<b>Other Operating Expense</b>	<b>2,106,845</b>	<b>2,106,845</b>
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**C. VETERANS' AFFAIRS**

**FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS**

<b>Personal Services</b>	<b>659,214</b>	<b>659,679</b>
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<b>Other Operating Expense</b>	<b>204,667</b>	<b>204,667</b>
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**The foregoing appropriations for the Indiana department of veterans' affairs include operating funds for the veterans' cemetery. Notwithstanding IC 10-17-1-6, staff employed for the operation and maintenance of the veterans' cemetery shall be selected as are all other state employees.**

**DISABLED AMERICAN VETERANS OF WORLD WARS**

<b>Total Operating Expense</b>	<b>40,000</b>	<b>40,000</b>
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**AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM**

<b>Total Operating Expense</b>	<b>30,000</b>	<b>30,000</b>
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**VETERANS OF FOREIGN WARS**

<b>Total Operating Expense</b>	<b>30,000</b>	<b>30,000</b>
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**VIETNAM VETERANS OF AMERICA**

<b>Total Operating Expense</b>		<b>20,000</b>
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**SECTION 9. [EFFECTIVE JULY 1, 2005]**

**EDUCATION**

**A. HIGHER EDUCATION**

**FOR INDIANA UNIVERSITY**

**BLOOMINGTON CAMPUS**

<b>Total Operating Expense</b>	<b>192,152,673</b>	<b>191,855,234</b>
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<b>Fee Replacement</b>	<b>18,297,029</b>	<b>24,575,676</b>
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1 **FOR INDIANA UNIVERSITY REGIONAL CAMPUSES**

2 **EAST**

3	<b>Total Operating Expense</b>	<b>7,570,790</b>	<b>7,516,462</b>
4	<b>Fee Replacement</b>	<b>1,883,532</b>	<b>2,026,511</b>

5 **KOKOMO**

6	<b>Total Operating Expense</b>	<b>10,162,502</b>	<b>10,124,249</b>
7	<b>Fee Replacement</b>	<b>2,254,333</b>	<b>2,425,461</b>

8 **NORTHWEST**

9	<b>Total Operating Expense</b>	<b>17,514,736</b>	<b>17,563,889</b>
10	<b>Fee Replacement</b>	<b>3,979,214</b>	<b>4,281,276</b>

11 **SOUTH BEND**

12	<b>Total Operating Expense</b>	<b>22,660,743</b>	<b>22,395,713</b>
13	<b>Fee Replacement</b>	<b>5,495,632</b>	<b>5,912,806</b>

14 **SOUTHEAST**

15	<b>Total Operating Expense</b>	<b>19,241,674</b>	<b>18,802,121</b>
16	<b>Fee Replacement</b>	<b>4,835,198</b>	<b>5,202,237</b>

17

18 **TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES**

19 **95,598,354 96,250,725**

20

21 **FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY**

22 **AT INDIANAPOLIS (IUPUI)**

23 **HEALTH DIVISIONS**

24	<b>Total Operating Expense</b>	<b>88,039,600</b>	<b>87,844,775</b>
25	<b>Fee Replacement</b>	<b>3,047,105</b>	<b>3,243,817</b>

26

27 **FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON**

28 **THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA**

29	<b>Total Operating Expense</b>	<b>1,486,577</b>	<b>1,483,288</b>
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30 **THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE**

31	<b>Total Operating Expense</b>	<b>1,367,557</b>	<b>1,364,531</b>
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32 **THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST**

33	<b>Total Operating Expense</b>	<b>1,942,802</b>	<b>1,938,503</b>
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34 **THE CAMPUS OF PURDUE UNIVERSITY**

35	<b>Total Operating Expense</b>	<b>1,734,224</b>	<b>1,730,387</b>
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36 **THE CAMPUS OF BALL STATE UNIVERSITY**

37	<b>Total Operating Expense</b>	<b>1,559,351</b>	<b>1,555,900</b>
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38 **THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME**

39	<b>Total Operating Expense</b>	<b>1,446,111</b>	<b>1,442,911</b>
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40 **THE CAMPUS OF INDIANA STATE UNIVERSITY**

41	<b>Total Operating Expense</b>	<b>1,724,077</b>	<b>1,720,262</b>
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42

43 **The Indiana University School of Medicine - Indianapolis shall submit to the Indiana**  
 44 **commission for higher education before May 15 of each year an accountability report**  
 45 **containing data on the number of medical school graduates who entered primary care**  
 46 **physician residencies in Indiana from the school's most recent graduating class.**

47

48 **FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)**

49 **GENERAL ACADEMIC DIVISIONS**



		<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	<b>Total Operating Expense</b>	<b>90,393,043</b>	<b>90,168,567</b>	
2	<b>Fee Replacement</b>	<b>15,409,015</b>	<b>16,403,766</b>	
3				
4	<b>TOTAL APPROPRIATIONS - IUPUI</b>			
5		<b>208,149,462</b>	<b>208,896,707</b>	
6				
7	<b>Transfers of allocations between campuses to correct for errors in allocation among</b>			
8	<b>the campuses of Indiana University can be made by the institution with the approval</b>			
9	<b>of the commission for higher education and the budget agency. Indiana University</b>			
10	<b>shall maintain current operations at all statewide medical education sites.</b>			
11				
12	<b>FOR INDIANA UNIVERSITY</b>			
13	<b>ABILENE NETWORK OPERATIONS CENTER</b>			
14	<b>Total Operating Expense</b>	<b>817,502</b>	<b>817,502</b>	
15	<b>SPINAL CORD AND HEAD INJURY RESEARCH CENTER</b>			
16	<b>Total Operating Expense</b>	<b>514,726</b>	<b>514,726</b>	
17	<b>OPTOMETRY BOARD EDUCATION FUND</b>			
18	<b>Total Operating Expense</b>	<b>29,000</b>	<b>1,500</b>	
19	<b>STATE DEPARTMENT OF TOXICOLOGY</b>			
20	<b>Total Operating Expense</b>	<b>644,058</b>	<b>644,058</b>	
21	<b>INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES</b>			
22	<b>Total Operating Expense</b>	<b>2,432,526</b>	<b>2,432,526</b>	
23	<b>GEOLOGICAL SURVEY</b>			
24	<b>Total Operating Expense</b>	<b>3,046,002</b>	<b>3,046,002</b>	
25	<b>INDUSTRIAL RESEARCH LIAISON PROGRAM</b>			
26	<b>Total Operating Expense</b>	<b>249,964</b>	<b>249,964</b>	
27	<b>LOCAL GOVERNMENT ADVISORY COMMISSION</b>			
28	<b>Total Operating Expense</b>	<b>55,518</b>	<b>55,518</b>	
29	<b>ADULT STEM CELL RESEARCH CENTER</b>			
30	<b>Total Operating Expense</b>	<b>50,000</b>	<b>0</b>	
31				
32	<b>Indiana University shall report to the budget committee on the feasibility</b>			
33	<b>of creating a center for research on adult stem cells.</b>			
34				
35				
36	<b>FOR PURDUE UNIVERSITY</b>			
37	<b>WEST LAFAYETTE</b>			
38	<b>Total Operating Expense</b>	<b>239,076,505</b>	<b>241,258,923</b>	
39	<b>Fee Replacement</b>	<b>17,606,980</b>	<b>20,920,977</b>	
40				
41	<b>FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES</b>			
42	<b>CALUMET</b>			
43	<b>Total Operating Expense</b>	<b>26,146,127</b>	<b>25,885,425</b>	
44	<b>Fee Replacement</b>	<b>1,930,940</b>	<b>1,941,138</b>	
45	<b>NORTH CENTRAL</b>			
46	<b>Total Operating Expense</b>	<b>10,298,659</b>	<b>10,287,733</b>	
47				
48	<b>TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES</b>			
49		<b>38,375,726</b>	<b>38,114,296</b>	



**FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY  
AT FORT WAYNE (IPFW)**

<b>Total Operating Expense</b>	<b>35,011,547</b>	<b>35,123,947</b>
<b>Fee Replacement</b>	<b>3,334,353</b>	<b>3,240,770</b>

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Purdue University can be made by the institution with the approval of the commission for higher education and the budget agency.

**FOR PURDUE UNIVERSITY  
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM**

<b>Total Operating Expense</b>	<b>3,387,166</b>	<b>3,387,166</b>
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The above appropriations shall be used to fund the animal disease diagnostic laboratory system (ADDL), which consists of the main ADDL at West Lafayette, the bangs disease testing service at West Lafayette, and the southern branch of ADDL Southern Indiana Purdue Agricultural Center (SIPAC) in Dubois County. The above appropriations are in addition to any user charges that may be established and collected under IC 15-2.1-5-6. Notwithstanding IC 15-2.1-5-5, the trustees of Purdue University may approve reasonable charges for testing for pseudorabies.

**STATEWIDE TECHNOLOGY**

<b>Total Operating Expense</b>	<b>5,468,960</b>	<b>5,468,960</b>
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**COUNTY AGRICULTURAL EXTENSION EDUCATORS**

<b>Total Operating Expense</b>	<b>7,103,447</b>	<b>7,103,447</b>
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**AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS**

<b>Total Operating Expense</b>	<b>7,107,724</b>	<b>7,107,724</b>
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**CENTER FOR PARALYSIS RESEARCH**

<b>Total Operating Expense</b>	<b>513,085</b>	<b>513,085</b>
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**UNIVERSITY-BASED BUSINESS ASSISTANCE**

<b>Total Operating Expense</b>	<b>1,100,715</b>	<b>1,100,715</b>
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**NORTH CENTRAL - VALPO NURSING PARTNERSHIP**

<b>Total Operating Expense</b>	<b>98,662</b>	<b>0</b>
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**FOR INDIANA STATE UNIVERSITY**

<b>Total Operating Expense</b>	<b>76,085,538</b>	<b>73,911,172</b>
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<b>Fee Replacement</b>	<b>6,663,721</b>	<b>7,282,616</b>
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**FOR UNIVERSITY OF SOUTHERN INDIANA**

<b>Total Operating Expense</b>	<b>33,939,286</b>	<b>34,136,743</b>
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<b>Fee Replacement</b>	<b>5,855,701</b>	<b>5,901,601</b>
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**HISTORIC NEW HARMONY**

<b>Total Operating Expense</b>	<b>356,216</b>	<b>356,216</b>
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**YOUNG ABE LINCOLN**

<b>Total Operating Expense</b>	<b>270,000</b>	<b>1</b>
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**FOR BALL STATE UNIVERSITY**

<b>Total Operating Expense</b>	<b>123,351,153</b>	<b>121,943,120</b>
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1	Fee Replacement	7,824,168	10,808,931
2	<b>ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES</b>		
3	Total Operating Expense	4,196,355	4,196,355

4			
5	<b>FOR VINCENNES UNIVERSITY</b>		
6	Total Operating Expense	36,654,617	36,128,169
7	Fee Replacement	3,226,033	3,861,825

8			
9	<b>FOR IVY TECH STATE COLLEGE</b>		
10	Total Operating Expense	138,587,242	144,061,470
11	Fee Replacement	11,757,465	13,119,374

12	<b>VALPO NURSING PARTNERSHIP</b>		
13	Total Operating Expense	0	98,662

14

15 The foregoing sums for Indiana University, Purdue University, Indiana State University,  
 16 University of Southern Indiana, Ball State University, Vincennes University, and  
 17 Ivy Tech State College operating accounts, line item accounts, and the appropriations  
 18 in this act to the institutions for general repair and rehabilitation include an  
 19 amount needed to reduce claims as a result of the previous distribution of  
 20 eleven-twelfths (11/12) of the appropriated amount in fiscal year 2001-2002. To the  
 21 extent the foregoing operating account, line item accounts, and general repair and  
 22 rehabilitation appropriations exceed the allotments for the operating account, line items,  
 23 and general repair and rehabilitation for the state fiscal year ending June 30, 2005, the  
 24 budget agency shall use the foregoing appropriations to reduce each claim that resulted  
 25 from the previous distribution of eleven-twelfths (11/12) of the budgeted amount for  
 26 operating accounts and line item accounts in fiscal year 2001-2002. These amounts  
 27 shall be separately allotted, all claims shall be reduced accordingly, and the institution  
 28 shall reflect the reduction on its financial statements. The balances remaining from  
 29 the foregoing appropriations are available for allotment by the budget agency for  
 30 each year of the biennium.

31			
32	<b>FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)</b>		
33	Total Operating Expense	3,300,000	3,300,000

34

35 The above appropriation includes the entire amount needed to eliminate any claim  
 36 resulting from the previous distribution of eleven-twelfths (11/12) of the budgeted  
 37 amount in fiscal year 2001-2002. This amount shall be separately allotted, IHETS'  
 38 claim shall be reduced accordingly, and IHETS shall reflect the reduction on its  
 39 financial statements.

40

41 The above appropriations do not include funds for the course development grant program.

42

43 The above appropriations for IHETS are available for allotment by the budget agency  
 44 after review by the budget committee.

45

46 The sums herein appropriated to Indiana University, Purdue University, Indiana State  
 47 University, University of Southern Indiana, Ball State University, Vincennes University,  
 48 Ivy Tech State College, and the Indiana Higher Education Telecommunications System  
 49 (IHETS) are in addition to all income of said institutions and IHETS, respectively,



from all permanent fees and endowments and from all land grants, fees, earnings, and receipts, including gifts, grants, bequests, and devises, and receipts from any miscellaneous sales from whatever source derived.

All such income and all such fees, earnings, and receipts on hand June 30, 2005, and all such income and fees, earnings, and receipts accruing thereafter are hereby appropriated to the boards of trustees or directors of the aforementioned institutions and IHETS and may be expended for any necessary expenses of the respective institutions and IHETS, including university hospitals, schools of medicine, nurses' training schools, schools of dentistry, and agricultural extension and experimental stations. However, such income, fees, earnings, and receipts may be used for land and structures only if approved by the governor and the budget agency.

The foregoing appropriations and allocations for fee replacement are for replacement of student fees deducted during the 2005-2007 biennium to cover bond or lease-purchase principal, interest, and other obligations of debt costs of facility construction and acquisition for those projects authorized by the general assembly. These fee replacement appropriations and allocations shall be allotted by the budget agency after receipt of verification of payment of such debt cost expense.

The foregoing appropriations to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech State College, and IHETS include the employers' share of Social Security payments for university and IHETS employees under the public employees' retirement fund, or institutions covered by the Indiana state teachers' retirement fund. The funds appropriated also include funding for the employers' share of payments to the public employees' retirement fund and to the Indiana state teachers' retirement fund at a rate to be established by the retirement funds for both fiscal years for each institution and for IHETS employees covered by these retirement plans.

The treasurers of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech State College shall, at the end of each three (3) month period, prepare and file with the auditor of state a financial statement that shall show in total all revenues received from any source, together with a consolidated statement of disbursements for the same period. The budget director shall establish the requirements for the form and substance of the reports.

The reports of the treasurer also shall contain in such form and in such detail as the governor and the budget agency may specify, complete information concerning receipts from all sources, together with any contracts, agreements, or arrangements with any federal agency, private foundation, corporation, or other entity from which such receipts accrue.

All such treasurers' reports are matters of public record and shall include without limitation a record of the purposes of any and all gifts and trusts with the sole exception of the names of those donors who request to remain anonymous.

Notwithstanding IC 4-10-11, the auditor of state shall draw warrants to the treasurers



of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech State College on the basis of vouchers stating the total amount claimed against each fund or account, or both, but not to exceed the legally made appropriations.

Notwithstanding IC 4-12-1-14, for universities and colleges supported in whole or in part by state funds, grant applications and lists of applications need only be submitted upon request to the budget agency for review and approval or disapproval and, unless disapproved by the budget agency, federal grant funds may be requested and spent without approval by the budget agency. Each institution shall retain the applications for a reasonable period of time and submit a list of all grant applications, at least monthly, to the commission for higher education for informational purposes.

For all university special appropriations, an itemized list of intended expenditures, in such form as the governor and the budget agency may specify, shall be submitted to support the allotment request. All budget requests for university special appropriations shall be furnished in a like manner and as a part of the operating budgets of the state universities.

The trustees of Indiana University, the trustees of Purdue University, the trustees of Indiana State University, the trustees of University of Southern Indiana, the trustees of Ball State University, the trustees of Vincennes University, the trustees of Ivy Tech State College, and the directors of IHETS are hereby authorized to accept federal grants, subject to IC 4-12-1.

Fee replacement funds are to be distributed as requested by each institution, on payment due dates, subject to available appropriations.

If an early payment of an amount appropriated to any of the aforementioned institutions or IHETS is made in either state fiscal year of the biennium to eliminate an otherwise authorized payment delay to a later state fiscal year, the amount may be used only for the purposes approved by the budget agency after review by the budget committee.

**FOR THE MEDICAL EDUCATION BOARD  
FAMILY PRACTICE RESIDENCY FUND**

Total Operating Expense	2,249,791	2,249,791
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Of the foregoing appropriations for the medical education board-family practice residency fund, \$1,000,000 each year shall be used for grants for the purpose of improving family practice residency programs serving medically underserved areas.

**FOR THE COMMISSION FOR HIGHER EDUCATION**

Total Operating Expense	1,478,533	1,478,533
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**INDIANA CAREER AND POSTSECONDARY ADVANCEMENT CENTER**

Total Operating Expense	1	1
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**FOR THE DEPARTMENT OF ADMINISTRATION**

**ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL**



	<i>FY 2005-2006 Appropriation</i>	<i>FY 2006-2007 Appropriation</i>	<i>Biennial Appropriation</i>
1	<b>Total Operating Expense</b>	<b>1,047,240</b>	<b>1,042,345</b>
2	<b>COLUMBUS LEARNING CENTER LEASE PAYMENT</b>		
3	<b>Total Operating Expense</b>	<b>1,842,000</b>	<b>3,831,500</b>
4			
5	<b>FOR THE STATE BUDGET AGENCY</b>		
6	<b>GIGAPOP PROJECT</b>		
7	<b>Total Operating Expense</b>	<b>727,638</b>	<b>727,638</b>
8	<b>SOUTH CENTRAL EDUCATIONAL ALLIANCE</b>		
9	<b>BEDFORD SERVICE AREA</b>		
10	<b>Total Operating Expense</b>	<b>280,710</b>	<b>280,710</b>
11	<b>SOUTHEAST INDIANA EDUCATION SERVICES</b>		
12	<b>Total Operating Expense</b>	<b>600,000</b>	<b>600,000</b>
13			
14	The above appropriation for southeast Indiana education services may be expended		
15	with the approval of the budget agency after review by the commission for higher		
16	education.		
17			
18	<b>DEGREE LINK</b>		
19	<b>Total Operating Expense</b>	<b>500,375</b>	<b>500,375</b>
20			
21	The above appropriations shall be used for the delivery of Indiana State University		
22	baccalaureate degree programs at Ivy Tech State College and Vincennes University		
23	locations through Degree Link. Distributions shall be made upon the recommendation		
24	of the Indiana commission for higher education and with approval by the budget agency		
25	after review by the budget committee.		
26			
27	<b>WORKFORCE CENTERS</b>		
28	<b>Total Operating Expense</b>	<b>837,000</b>	<b>837,000</b>
29	<b>MIDWEST HIGHER EDUCATION COMMISSION</b>		
30	<b>Total Operating Expense</b>	<b>255,000</b>	<b>90,000</b>
31			
32	<b>FOR THE STATE STUDENT ASSISTANCE COMMISSION</b>		
33	<b>Total Operating Expense</b>	<b>1,240,723</b>	<b>1,240,723</b>
34	<b>FREEDOM OF CHOICE GRANTS</b>		
35	<b>Total Operating Expense</b>	<b>41,751,997</b>	<b>46,035,799</b>
36	<b>HIGHER EDUCATION AWARD PROGRAM</b>		
37	<b>Total Operating Expense</b>	<b>106,959,572</b>	<b>120,674,940</b>
38	<b>NURSING SCHOLARSHIP PROGRAM</b>		
39	<b>Total Operating Expense</b>	<b>402,142</b>	<b>402,142</b>
40	<b>HOOSIER SCHOLAR PROGRAM</b>		
41	<b>Total Operating Expense</b>	<b>400,000</b>	<b>400,000</b>
42			
43	For the higher education awards and freedom of choice grants made for the 2005-2007		
44	biennium, the following guidelines shall be used, notwithstanding current administrative		
45	rule or practice:		
46	(1) Financial Need: For purposes of these awards, financial need shall be limited		
47	to actual undergraduate tuition and fees for the prior academic year as established		
48	by the commission.		
49	(2) Maximum Base Award: The maximum award shall not exceed the lesser of:		



(A) eighty percent (80%) of actual prior academic year undergraduate tuition and fees; or  
 (B) eighty percent (80%) of the sum of the highest prior academic year undergraduate tuition and fees at any public institution of higher education and the lowest appropriation per full-time equivalent (FTE) undergraduate student at any public institution of higher education.  
 (3) Minimum Award: No actual award shall be less than \$200.  
 (4) Award Size: A student's maximum award shall be reduced one (1) time:  
 (A) for dependent students, by the expected contribution from parents based upon information submitted on the financial aid application form; and  
 (B) for independent students, by the expected contribution derived from information submitted on the financial aid application form.  
 (5) Award Adjustment: The maximum base award may be adjusted by the commission, for any eligible recipient who fulfills college preparation requirements defined by the commission.  
 (6) Adjustment: If the dollar amounts of eligible awards exceed appropriations and program reserves, all awards may be adjusted by the commission by reducing the maximum award under subdivision (2)(A) or (2)(B).  
 For the Hoosier scholar program for the 2005-2007 biennium, each award shall not exceed five hundred dollars (\$500) and shall be made available for one (1) year only. Receipt of this award shall not reduce any other award received under any state funded student assistance program.

**STATUTORY FEE REMISSION**

Total Operating Expense	17,482,349	19,648,108
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**PART-TIME GRANT PROGRAM**

Total Operating Expense	5,250,000	5,250,000
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Priority for awards made from the above appropriation shall be given first to eligible students meeting TANF income eligibility guidelines as determined by the family and social services administration and second to eligible students who received awards from the part time grant fund during the school year associated with the biennial budget year. Funds remaining shall be distributed according to procedures established by the commission. The maximum grant that an applicant may receive for a particular academic term shall be established by the commission but shall in no case be greater than a grant for which an applicant would be eligible under IC 20-12-21 if the applicant were a full-time student. The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

The family and social services administration, division of family and children shall apply all qualifying expenditures for the part time grant program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

**CONTRACT FOR INSTRUCTIONAL OPPORTUNITIES IN SOUTHEASTERN INDIANA**

Total Operating Expense	603,407	603,407
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**MINORITY TEACHER SCHOLARSHIP FUND**





1	Total Operating Expense	399,768	399,768
2	COLLEGE WORK STUDY PROGRAM		
3	Total Operating Expense	805,189	805,189
4	21ST CENTURY ADMINISTRATION		
5	Total Operating Expense	2,000,000	2,000,000
6	21ST CENTURY SCHOLAR AWARDS		
7	Total Operating Expense	18,402,449	19,171,429
8	Augmentation for 21st Century Scholar Awards allowed from the general fund.		

9  
10 The commission shall collect and report to the family and social services administration  
11 (FSSA) all data required for FSSA to meet the data collection and reporting requirements  
12 in 45 CFR 265.

13  
14 Family and social services, division of family and children shall apply all qualifying  
15 expenditures for the 21st century scholars program toward Indiana's maintenance of  
16 effort under the federal Temporary Assistance to Needy Families (TANF) program (45  
17 CFR 260 et seq.)

18	NATIONAL GUARD SCHOLARSHIP		
19	Total Operating Expense	3,033,730	3,299,821

20  
21  
22 The above appropriations for national guard scholarship and any program reserves  
23 existing on June 30, 2005, shall be the total allowable state expenditure for the  
24 program in the 2005-2007 biennium. If the dollar amounts of eligible awards exceed  
25 appropriations and program reserves, the state student assistance commission shall  
26 develop a plan to ensure that the total dollar amount does not exceed the above appropriations  
27 and any program reserves.

28  
29 **B. ELEMENTARY AND SECONDARY EDUCATION**

30  
31 **FOR THE DEPARTMENT OF EDUCATION**

32 **STATE BOARD OF EDUCATION**

33	Total Operating Expense	3,152,112	3,152,112
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34  
35 The foregoing appropriations for the Indiana state board of education are for the  
36 education roundtable established by IC 20-1-20.5-3; for the academic standards project  
37 to distribute copies of the academic standards and provide teachers with curriculum  
38 frameworks; for special evaluation and research projects including national and international  
39 assessments; and for state board and roundtable administrative expenses.

40  
41 **SUPERINTENDENT'S OFFICE**

42	Personal Services	686,467	686,877
43	Other Operating Expense	1,439,160	1,437,682

44  
45 **PUBLIC TELEVISION DISTRIBUTION**

46	Total Operating Expense	2,357,563	2,357,563
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47  
48 These appropriations are for grants for public television. The Indiana Public Broadcasting  
49 Stations, Inc. shall submit a distribution plan for the eight Indiana public education



1 television stations that shall be approved by the budget agency after review by the budget  
2 committee. The above appropriation includes the costs of transmission for the "GED-on-TV"  
3 program. Of the above appropriations, \$100,000 each year shall be distributed equally  
4 among the eight radio stations.

5  
6 **RESEARCH AND DEVELOPMENT PROGRAMS**

7	Personal Services	86,958	86,959
8	Other Operating Expense	300,390	300,390

9  
10 Of the foregoing appropriations for Research and Development Programs, up to \$140,000  
11 each year is dedicated for the Center for Evaluation and Education Policy. Funds  
12 are included for the center to facilitate a study of the feasibility of consolidating  
13 school corporations in Indiana.

14  
15 **DEPUTY SUPERINTENDENT'S OFFICE**

16	Personal Services	457,320	457,562
17	Other Operating Expense	92,839	92,603

18 **RILEY HOSPITAL**

19	Total Operating Expense	27,900	27,900
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20 **ADMINISTRATION AND FINANCIAL MANAGEMENT**

21	Personal Services	2,143,064	2,144,538
22	Other Operating Expense	298,207	296,808

23 **MOTORCYCLE OPERATOR SAFETY EDUCATION FUND**

24 **Safety Education Fund (IC 20-10.1-7-14)**

25	Personal Services	132,303	132,397
26	Other Operating Expense	892,177	892,087

27  
28 The foregoing appropriations for the motorcycle operator safety education fund are  
29 from the motorcycle operator safety education fund created by IC 20-10.1-7-14.

30  
31 **SCHOOL TRAFFIC SAFETY**

32 **Motor Vehicle Highway Account (IC 8-14-1)**

33	Personal Services	242,813	242,989
34	Other Operating Expense	30,405	30,236

35 **Augmentation allowed.**

36 **CENTER FOR SCHOOL ASSESSMENT**

37	Personal Services	310,777	311,004
38	Other Operating Expense	706,025	705,800

39 **ACCREDITATION SYSTEM**

40	Personal Services	471,390	471,732
41	Other Operating Expense	489,547	489,210

42 **SPECIAL EDUCATION (S-5)**

43	Total Operating Expense	30,000,000	30,000,000
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44  
45 The foregoing appropriations for special education are made under IC 20-1-6-19.

46  
47 **CENTER FOR COMMUNITY RELATIONS AND SPECIAL POPULATIONS**

48	Personal Services	234,467	234,580
49	Other Operating Expense	78,988	78,879



**SPECIAL EDUCATION EXCISE**

**Alcoholic Beverage Excise Tax Funds (IC 20-1-6-10)**

<b>Personal Services</b>	<b>344,177</b>	<b>344,351</b>
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**Augmentation allowed.**

**GED-ON-TV PROGRAM**

<b>Other Operating Expense</b>	<b>229,500</b>	<b>229,500</b>
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The foregoing appropriation is for grants to provide GED-ON-TV programming. The GED-ON-TV Program shall submit for review by the budget committee an annual report on utilization of this appropriation.

**VOCATIONAL EDUCATION**

<b>Personal Services</b>	<b>1,318,379</b>	<b>1,319,338</b>
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<b>Other Operating Expense</b>	<b>40,532</b>	<b>39,599</b>
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**CENTER FOR SCHOOL IMPROVEMENT AND PERFORMANCE**

<b>Personal Services</b>	<b>1,701,420</b>	<b>1,701,447</b>
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<b>Other Operating Expense</b>	<b>978,089</b>	<b>978,089</b>
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**PRINCIPAL LEADERSHIP ACADEMY**

<b>Personal Services</b>	<b>320,628</b>	<b>320,632</b>
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<b>Other Operating Expense</b>	<b>142,204</b>	<b>142,204</b>
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**EDUCATION SERVICE CENTERS**

<b>Total Operating Expense</b>	<b>1,721,287</b>	<b>1,721,287</b>
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No appropriation made for an education service center shall be distributed to the administering school corporation of the center unless each participating school corporation of the center contracts to pay to the center at least three dollars (\$3) per student for fiscal year 2005-2006 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2004, and at least three dollars (\$3) per student for fiscal year 2006-2007, based on the school corporation's ADM count as reported for school aid distribution beginning in the fall of 2005. Before notification of education service centers of the formula and components of the formula for distributing funds for education service centers, review and approval of the formula and components must be made by the budget agency.

**TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)**

<b>Total Operating Expense</b>	<b>50,000</b>	<b>50,000</b>
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The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-8.1-6.1-6 and IC 20-8.1-6.1-5.

**TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION**

<b>Total Operating Expense</b>	<b>2,403,792</b>	<b>2,403,792</b>
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The foregoing appropriations shall be distributed by the department of education on a monthly basis and in approximately equal payments to special education cooperatives, area vocational schools, and other governmental entities that received state teachers' Social Security distributions for certified education personnel (excluding the certified



education personnel funded through federal grants) during the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the units under the Indiana state teacher's retirement fund, the amount they received during the 2002-2003 state fiscal year for teachers' retirement. If the total amount to be distributed is greater than the total appropriation, the department of education shall reduce each entity's distribution proportionately.

#### **DISTRIBUTION FOR TUITION SUPPORT**

##### **General Fund**

<b>Total Operating Expense</b>	<b>2,102,779,408</b>	<b>2,100,046,075</b>
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##### **Property Tax Replacement Fund (IC 6-1.1-21)**

<b>Total Operating Expense</b>	<b>1,654,903,925</b>	<b>1,652,170,592</b>
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The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, vocational education programs, at-risk programs, honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2005 session of the general assembly.

If the above appropriations for distribution for tuition support are more than are required under this SECTION, one-half (1/2) of any excess shall revert to the general fund and one-half (1/2) of any excess shall revert to the property tax replacement fund.

The above appropriations for tuition support shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and the aggregate of the payments in each calendar year shall equal the amount required under the statute enacted for the purpose referred to above.

#### **EDUCATION DISCRETIONARY SPENDING ACCOUNT DISTRIBUTION**

<b>Other Operating Expense</b>	<b>78,000,000</b>	<b>82,000,000</b>
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A discretionary spending account distribution is available to a school corporation and a nonpublic school accredited under IC 20-19-2-8 that applies to the department of education for funding of summer school, remediation, professional development, gifted and talented programs, full day kindergarten, technology, or other uses that improve student educational achievement as determined by the department of education. The amount of the distribution available to a school corporation each year equals a foundation grant of sixty-six dollars (\$66) multiplied by the school corporation's ADM (as defined in IC 21-3-1.6-1.1) for the current year multiplied by the school corporation's complexity index for the current year (as determined under IC 21-3-1.7-6.7). The department of education may use up to five percent (5%) of the foregoing appropriation for making discretionary spending account distributions to nonpublic schools accredited under IC 20-19-2-8. A school corporation or nonpublic school that is awarded a discretionary spending account distribution must provide to the department of education a financial report in the format determined by the department of education stating how the discretionary spending account distribution funds were spent. Any unspent discretionary spending account distribution funds at the end of the biennium must be returned to the state



by the school corporation or nonpublic school. The department of education shall increase or decrease the amount of the foundation grant to limit total distributions to the above amounts.

#### ADULT EDUCATION DISTRIBUTION

Total Operating Expense	14,000,000	14,000,000
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It is the intent of the 2005 general assembly that the above appropriations for adult education shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for a state fiscal year, the department of education shall reduce the distributions proportionately.

#### NATIONAL SCHOOL LUNCH PROGRAM

Total Operating Expense	5,400,000	5,400,000
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#### MARION COUNTY DESEGREGATION COURT ORDER

Total Operating Expense	18,200,000	18,200,000
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The foregoing appropriations for court ordered desegregation costs are made pursuant to order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

#### TEXTBOOK REIMBURSEMENT

Total Operating Expense	19,902,559	19,902,644
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Before a school corporation or an accredited non-public school may receive a distribution under the textbook reimbursement program, the school corporation or accredited non-public school shall provide to the department the requirements established in IC 20-8.1-9-2. The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services, division of family and children, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

#### TESTING

Other Operating Expense	22,500,000	17,500,000
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The above appropriation for Testing shall be used for students who attend public and nonpublic schools. The department of education shall determine the amount of funding for non-public schools.

#### SPECIAL EDUCATION PRESCHOOL

Total Operating Expense	27,173,300	27,173,300
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The above appropriations shall be distributed to guarantee a minimum of \$2,750 per child enrolled in special education preschool programs from state and local sources in school corporations that levy the maximum special education tax rate for



this purpose. It is the intent of the 2005 general assembly that the above appropriations for special education preschool shall be the total allowable expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

#### **DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION**

<b>Total Operating Expense</b>	<b>250,000</b>	<b>250,000</b>
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The distribution for adult vocational education programs shall be made in accordance with the state plan for vocational education.

#### **PRIMETIME**

<b>Personal Services</b>	<b>172,564</b>	<b>172,566</b>
<b>Other Operating Expense</b>	<b>34,467</b>	<b>34,467</b>

#### **DRUG FREE SCHOOLS**

<b>Personal Services</b>	<b>52,360</b>	<b>52,361</b>
<b>Other Operating Expense</b>	<b>20,093</b>	<b>20,093</b>

#### **ALTERNATIVE SCHOOLS**

<b>Total Operating Expense</b>	<b>6,380,059</b>	<b>6,380,319</b>
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#### **PROFESSIONAL STANDARDS DIVISION**

##### **General Fund**

<b>Personal Services</b>	<b>1,053,602</b>	<b>1,054,199</b>
<b>Other Operating Expense</b>	<b>262,900</b>	<b>1,762,303</b>

##### **Professional Standards Board Licensing Fund**

<b>Total Operating Expense</b>	<b>2,400,000</b>	<b>900,000</b>
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Augmentation allowed.

The above appropriations for the Professional Standards Board do not include funds to pay stipends for mentor teachers.

#### **FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND**

##### **POSTRETIREMENT PENSION INCREASES**

<b>Other Operating Expense</b>	<b>50,427,438</b>	<b>49,797,084</b>
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The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 21-6.1-6 and IC 5-10.2-5.

#### **TEACHERS' RETIREMENT FUND DISTRIBUTION**

<b>Other Operating Expense</b>	<b>502,400,000</b>	<b>536,200,000</b>
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Augmentation allowed.

If the amount actually required under the pre-1996 account of the teachers' retirement fund for actual benefits for the Post Retirement Pension Increases that are funded on a "pay as you go" basis plus the base benefits under the pre-1996 account of the teachers' retirement fund is:

(1) greater than the above appropriation for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the general fund. Any augmentation shall



be included in the required pension stabilization calculation under IC 21-6.1-2; or  
(2) less than the above appropriation for a year, the excess shall be retained  
in the general fund. The portion of the benefit funded by the annuity account  
and the actuarially funded Post Retirement Pension Increases shall not be part  
of this calculation.

#### C. OTHER EDUCATION

##### FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD

Personal Services	637,399	637,806
Other Operating Expense	45,354	45,354

##### PUBLIC EMPLOYEE RELATIONS BOARD

Total Operating Expense	32,550	32,550
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##### FOR THE STATE LIBRARY

Personal Services	2,867,740	2,869,750
Other Operating Expense	729,954	729,954

##### INDIANA COOPERATIVE LIBRARY SERVICES AUTHORITY

Total Operating Expense	2,408,848	2,408,848
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##### ACADEMY OF SCIENCE

Total Operating Expense	8,811	8,811
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##### FOR THE ARTS COMMISSION

Personal Services	329,919	330,168
Other Operating Expense	3,302,296	3,302,056

##### FOR THE HISTORICAL BUREAU

Personal Services	403,124	403,408
Other Operating Expense	9,554	9,554

##### HISTORICAL MARKER PROGRAM

Total Operating Expense		34,300
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##### FOR THE COMMISSION ON PROPRIETARY EDUCATION

Personal Services	447,806	448,129
Other Operating Expense	6,865	6,865

#### SECTION 10. [EFFECTIVE JULY 1, 2005]

#### DISTRIBUTIONS

##### FOR THE PROPERTY TAX REPLACEMENT FUND BOARD

###### Property Tax Replacement Fund (IC 6-1.1-21)

Total Operating Expense	2,028,509,197	2,028,509,197
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Notwithstanding IC 6-1.1-21, the foregoing appropriations are the maximum amount  
that may be distributed. If the amount determined under IC 6-1.1-21 exceeds the amount  
appropriated, the board shall reduce the credit percentages proportionately so that  
the distributions equal the appropriation.



**SECTION 11. [EFFECTIVE JULY 1, 2005]**

The following allocations of federal funds are available for vocational and technical education under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301, et seq. for Vocational and Technical Education) (20 U.S.C. 2371 for Tech Prep Education). These funds shall be received by the department of workforce development, commission on vocational and technical education, and shall be allocated by the budget agency after consultation with the commission on vocational and technical education, the department of education, the commission for higher education, and the department of correction. Funds shall be allocated to these agencies in accordance with the allocations specified below:

**STATE PROGRAMS AND LEADERSHIP**

2,655,188	2,655,188
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**SECONDARY VOCATIONAL PROGRAMS**

14,878,845	14,878,845
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**POSTSECONDARY VOCATIONAL PROGRAMS**

8,522,925	8,522,925
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**TECHNOLOGY - PREPARATION EDUCATION**

2,465,494	2,465,494
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**SECTION 12. [EFFECTIVE JULY 1, 2005]**

In accordance with IC 20-1-18.3, the budget agency, with the advice of the commission on vocational and technical education and the budget committee, may augment or reduce an allocation of federal funds made under SECTION 11 of this act.

**SECTION 13. [EFFECTIVE JULY 1, 2005]**

Utility bills for the month of June, travel claims covering the period June 16 to June 30, payroll for the period of the last half of June, any interdepartmental bills for supplies or services for the month of June, and any other miscellaneous expenses incurred during the period June 16 to June 30 shall be charged to the appropriation for the succeeding year. No interdepartmental bill shall be recorded as a refund of expenditure to any current year allotment account for supplies or services rendered or delivered at any time during the preceding June period.

**SECTION 14. [EFFECTIVE JULY 1, 2005]**

The budget agency, under IC 4-10-11, IC 4-12-1-13, and IC 4-13-1, in cooperation with the Indiana department of administration, may fix the amount of reimbursement for traveling expenses (other than transportation) for travel within the limits of Indiana. This amount may not exceed actual lodging and miscellaneous expenses incurred. A person in travel status, as defined by the state travel policies and procedures established by the Indiana department of administration and the budget agency, is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service.

All appropriations provided by this act or any other statute, for traveling and hotel





expenses for any department, officer, agent, employee, person, trustee, or commissioner, are to be used only for travel within the state of Indiana, unless those expenses are incurred in traveling outside the state of Indiana on trips that previously have received approval as required by the state travel policies and procedures established by the Indiana department of administration and the budget agency. With the required approval, a reimbursement for out-of-state travel expenses may be granted in an amount not to exceed actual lodging and miscellaneous expenses incurred. A person in travel status is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service for properly approved travel within the continental United States and a minimum of \$50 during any twenty-four (24) hour period for properly approved travel outside the continental United States. However, while traveling in Japan, the minimum meal allowance shall not be less than \$90 for any twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum meal allowance shall not be less than \$85 for any twenty-four (24) hour period; while traveling in Singapore, China, Great Britain, Germany, the Netherlands, and France, the minimum meal allowance shall not be less than \$65 for any twenty-four (24) hour period.

In the case of the state supported institutions of postsecondary education, approval for out-of-state travel may be given by the chief executive officer of the institution, or the chief executive officer's authorized designee, for the chief executive officer's respective personnel.

Before reimbursing overnight travel expenses, the auditor of state shall require documentation as prescribed in the state travel policies and procedures established by the Indiana department of administration and the budget agency. No appropriation from any fund may be construed as authorizing the payment of any sum in excess of the standard mileage rates for personally owned transportation equipment established by the federal Internal Revenue Service when used in the discharge of state business. The Indiana department of administration and the budget agency may adopt policies and procedures relative to the reimbursement of travel and moving expenses of new state employees and the reimbursement of travel expenses of prospective employees who are invited to interview with the state.

#### SECTION 15. [EFFECTIVE JULY 1, 2005]

Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions, and councils who are entitled to a salary per diem is \$50 per day. However, members of boards, commissions, or councils who receive an annual or a monthly salary paid by the state are not entitled to the salary per diem provided in IC 4-10-11-2.1.

#### SECTION 16. [EFFECTIVE JULY 1, 2005]

No payment for personal services shall be made by the auditor of state unless the payment has been approved by the budget agency or the designee of the budget agency.

#### SECTION 17. [EFFECTIVE JULY 1, 2005]

No warrant for operating expenses, capital outlay, or fixed charges shall be issued



1 to any department or an institution unless the receipts of the department or institution  
2 have been deposited into the state treasury for the month. However, if a department  
3 or an institution has more than \$10,000 in daily receipts, the receipts shall be  
4 deposited into the state treasury daily.

6 SECTION 18. [EFFECTIVE JULY 1, 2005]

8 In case of loss by fire or any other cause involving any state institution or department,  
9 the proceeds derived from the settlement of any claim for the loss shall be deposited  
10 in the state treasury, and the amount deposited is hereby reappropriated to the institution  
11 or department for the purpose of replacing the loss. If it is determined that the  
12 loss shall not be replaced, any funds received from the settlement of a claim shall  
13 be deposited into the general fund.

15 SECTION 19. [EFFECTIVE JULY 1, 2005]

17 If an agency has computer equipment in excess of the needs of that agency, then the  
18 excess computer equipment may be sold under the provisions of surplus property sales,  
19 and the proceeds of the sale or sales shall be deposited in the state treasury. The  
20 amount so deposited is hereby reappropriated to that agency for other operating expenses  
21 of the then current year, if approved by the director of the budget agency.

23 SECTION 20. [EFFECTIVE JULY 1, 2005]

25 If any state penal or benevolent institution other than the Indiana state prison,  
26 Pendleton correctional facility, or Putnamville correctional facility shall, in the  
27 operation of its farms, produce products, or commodities in excess of the needs of  
28 the institution, the surplus may be sold through the division of industries and farms,  
29 the director of the supply division of the Indiana department of administration,  
30 or both. The proceeds of any such sale or sales shall be deposited in the state treasury.  
31 The amount deposited is hereby reappropriated to the institution for expenses of  
32 the then current year if approved by the director of the budget agency. The exchange  
33 between state penal and benevolent institutions of livestock for breeding purposes  
34 only is hereby authorized at valuations agreed upon between the superintendents or  
35 wardens of the institutions. Capital outlay expenditures may be made from the institutional  
36 industries and farms revolving fund if approved by the budget agency and the governor.

38 SECTION 21. [EFFECTIVE JULY 1, 2005]

40 This act does not authorize any rehabilitation and repairs to any state buildings,  
41 nor does it allow that any obligations be incurred for lands and structures, without  
42 the prior approval of the budget director or the director's designee. This SECTION  
43 does not apply to contracts for the state universities supported in whole or in part  
44 by state funds.

46 SECTION 22. [EFFECTIVE JULY 1, 2005]

48 If an agency has an annual appropriation fixed by law, and if the agency also receives  
49 an appropriation in this act for the same function or program, the appropriation



1 in this act supersedes any other appropriations and is the total appropriation for  
2 the agency for that program or function.

3  
4 **SECTION 23. [EFFECTIVE JULY 1, 2005]**

5  
6 The balance of any appropriation or funds heretofore placed or remaining to the credit  
7 of any division of the state of Indiana, and any appropriation or funds provided  
8 in this act placed to the credit of any division of the state of Indiana, the powers,  
9 duties, and functions whereof are assigned and transferred to any department for  
10 salaries, maintenance, operation, construction, or other expenses in the exercise  
11 of such powers, duties, and functions, shall be transferred to the credit of the  
12 department to which such assignment and transfer is made, and the same shall be available  
13 for the objects and purposes for which appropriated originally.

14  
15 **SECTION 24. [EFFECTIVE JULY 1, 2005]**

16  
17 The director of the division of procurement of the Indiana department of administration,  
18 or any other person or agency authorized to make purchases of equipment, shall not  
19 honor any requisition for the purchase of an automobile that is to be paid for from  
20 any appropriation made by this act or any other act, unless the following facts are  
21 shown to the satisfaction of the commissioner of the Indiana department of administration  
22 or the commissioner's designee:

23 (1) In the case of an elected state officer, it shall be shown that the duties of  
24 the office require driving about the state of Indiana in the performance of official  
25 duty.

26 (2) In the case of department or commission heads, it shall be shown that the statutory  
27 duties imposed in the discharge of the office require traveling a greater distance  
28 than one thousand (1,000) miles each month or that they are subject to official duty  
29 call at all times.

30 (3) In the case of employees, it shall be shown that the major portion of the duties  
31 assigned to the employee require travel on state business in excess of one thousand  
32 (1,000) miles each month, or that the vehicle is identified by the agency as an integral  
33 part of the job assignment. In computing the number of miles required to be driven  
34 by a department head or an employee, the distance between the individual's home and  
35 office or designated official station is not to be considered as a part of the total.  
36 Department heads shall annually submit justification for the continued assignment  
37 of each vehicle in their department, which shall be reviewed by the commissioner  
38 of the Indiana department of administration, or the commissioner's designee. There  
39 shall be an insignia permanently affixed on each side of all state owned cars, designating  
40 the cars as being state owned. However, this requirement does not apply to state  
41 owned cars driven by elected state officials or to cases where the commissioner of  
42 the Indiana department of administration or the commissioner's designee determines  
43 that affixing insignia on state owned cars would hinder or handicap the persons driving  
44 the cars in the performance of their official duties.

45  
46 **SECTION 25. [EFFECTIVE JULY 1, 2005]**

47  
48 When budget agency approval or review is required under this act, the budget agency  
49 may refer to the budget committee any budgetary or fiscal matter for an advisory



recommendation. The budget committee may hold hearings and take any actions authorized by IC 4-12-1-11, and may make an advisory recommendation to the budget agency.

**SECTION 26. [EFFECTIVE JULY 1, 2005]**

The governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. Federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this SECTION and all other SECTIONS concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

**SECTION 27. [EFFECTIVE JULY 1, 2005]**

Federal funds received as revenue by a state agency or department are not available to the agency or department for expenditure until allotment has been made by the budget agency under IC 4-12-1-12(d).

**SECTION 28. [EFFECTIVE JULY 1, 2005]**

A contract or an agreement for personal services or other services may not be entered into by any agency or department of state government without the approval of the budget agency or the designee of the budget director.

**SECTION 29. [EFFECTIVE JULY 1, 2005]**

Except in those cases where a specific appropriation has been made to cover the payments for any of the following, the auditor of state shall transfer, from the personal services appropriations for each of the various agencies and departments, necessary payments for Social Security, public employees' retirement, health insurance, life insurance, and any other similar payments directed by the budget agency.

**SECTION 30. [EFFECTIVE JULY 1, 2005]**

Subject to SECTION 25 of this act as it relates to the budget committee, the budget agency with the approval of the governor may withhold allotments of any or all appropriations contained in this act for the 2005-2007 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

**SECTION 31. [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]**

The following deficiency appropriation for the state fiscal year beginning July 1, 2004, and ending June 30, 2005, is made in addition to the appropriations in P.L.224-2003, SECTION 9:

**FOR THE DEPARTMENT OF EDUCATION**  
**DISTRIBUTION FOR TUITION SUPPORT**  
**General Fund**



1                    **Total Operating Expense      20,000,000**

2  
3        **The budget agency shall transfer twenty million dollars (\$20,000,000) from the balance that**  
4        **existed as of January 31, 2005, in Account 6000/168900 to the state general fund to fund the**  
5        **deficiency appropriation made by this SECTION. The deficiency appropriation made by**  
6        **this SECTION is not subject to transfer to any other fund or subject to transfer,**  
7        **assignment, or reassignment for any other use or purpose by the state board of finance,**  
8        **notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23, or by the budget agency, notwithstanding**  
9        **IC 4-12-1-12, or any other law.**

10  
11        **SECTION 32. [EFFECTIVE JULY 1, 2005]**

12  
13        **CONSTRUCTION**

14  
15        **For the 2005-2007 biennium, the following amounts, from the funds listed as follows,**  
16        **are hereby appropriated to provide for the construction, reconstruction, rehabilitation,**  
17        **repair, purchase, rental, and sale of state properties, capital lease rentals and**  
18        **the purchase and sale of land, including equipment for such properties.**

19  
20                **State General Fund - Lease Rentals**  
21                                **243,893,130**  
22                **State General Fund - Construction**  
23                                **203,037,414**  
24                **State Police Building Commission Fund (IC 9-29-1-4)**  
25                                **10,500,000**  
26                **Law Enforcement Academy Building Fund (IC 5-2-1-13)**  
27                                **1,300,000**  
28                **Cigarette Tax Fund (IC 6-7-1-29.1)**  
29                                **3,562,500**  
30                **Vocational Construction Projects Fund (IC 16-33-4-10)**  
31                                **375,000**  
32                **Veterans' Home Building Fund (IC 10-17-9-7)**  
33                                **4,527,332**  
34                **Post War Construction Fund (IC 7.1-4-8-1)**  
35                                **28,873,488**  
36                **Industry and Farm Products Revolving Fund (IC 11-10-6-6)**  
37                                **110,292**  
38                **Regional Health Care Construction Account (IC 4-12-8.5)**  
39                                **18,738,093**  
40  
41                **TOTAL                    514,917,249**

42  
43        **The allocations provided under this SECTION are made from the state general fund,**  
44        **unless specifically authorized from other designated funds by this act. The budget**  
45        **agency, with the approval of the governor, in approving the allocation of funds pursuant**  
46        **to this SECTION, shall consider, as funds are available, allocations for the following**  
47        **specific uses, purposes, and projects:**

48  
49        **A. GENERAL GOVERNMENT**



**FOR THE HOUSE OF REPRESENTATIVES**

<b>House Renovations</b>	<b>150,000</b>
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**FOR THE STATE BUDGET AGENCY**

<b>Health and Safety Contingency Fund</b>	<b>5,900,000</b>
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<b>Aviation Technology Center</b>	<b>2,708,109</b>
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<b>Airport Facilities Lease</b>	<b>41,917,375</b>
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<b>Qualitech Capital Lease</b>	<b>5,888,000</b>
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<b>Heartland Steel Capital Lease</b>	<b>2,554,000</b>
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**DEPARTMENT OF ADMINISTRATION - PROJECTS**

<b>Preventive Maintenance</b>	<b>4,811,020</b>
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<b>Repair and Rehabilitation</b>	<b>19,300,000</b>
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**DEPARTMENT OF ADMINISTRATION - LEASES**

**General Fund**

<b>Lease - Government Center North</b>	<b>34,691,616</b>
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<b>Lease - Government Center South</b>	<b>30,909,841</b>
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<b>Lease - State Museum</b>	<b>15,293,975</b>
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<b>Lease - McCarty Street</b>	<b>1,415,653</b>
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<b>Lease - Parking Garages</b>	<b>12,576,651</b>
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<b>Lease - Wabash Valley Correctional</b>	<b>24,324,343</b>
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<b>Lease - Rockville Correctional</b>	<b>7,144,675</b>
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<b>Lease - Miami Correctional</b>	<b>31,631,607</b>
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<b>Lease - Pendleton Juvenile Correctional</b>	<b>9,334,000</b>
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<b>Lease - New Castle Correctional</b>	<b>23,503,285</b>
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**Regional Health Care Construction Account (IC 4-12-8.5)**

<b>Lease - Evansville State Hospital</b>	<b>6,541,168</b>
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<b>Lease - Southeast Regional Treatment</b>	<b>6,951,700</b>
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<b>Lease - Logansport State Hospital</b>	<b>5,245,225</b>
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**B. PUBLIC SAFETY**

**(1) LAW ENFORCEMENT**

**INDIANA STATE POLICE**

**State Police Building Commission Fund (IC 9-29-1-4)**

<b>Preventive Maintenance</b>	<b>1,014,000</b>
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<b>Automobiles</b>	<b>7,046,895</b>
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<b>Repair and Rehabilitation</b>	<b>2,439,105</b>
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**LAW ENFORCEMENT TRAINING BOARD**

**Law Enforcement Academy Building Fund (IC 5-2-1-13)**

<b>Preventive Maintenance</b>	<b>1,170,000</b>
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<b>Repair and Rehabilitation</b>	<b>130,000</b>
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**ADJUTANT GENERAL**

<b>Preventive Maintenance</b>	<b>113,400</b>
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<b>Repair and Rehabilitation</b>	<b>1,151,700</b>
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<b>Gary Army Aviation Support</b>	<b>2,600,000</b>
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**(2) CORRECTIONS****DEPARTMENT OF CORRECTION - PROJECTS****Post War Construction Fund (IC 7.1-4-8-1)****Repair and Rehabilitation 2,323,988****CORRECTIONAL UNITS****Preventive Maintenance 420,000****Repair and Rehabilitation 119,000****Post War Construction Fund (IC 7.1-4-8-1)****Repair and Rehabilitation 4,759,500****STATE PRISON****Preventive Maintenance 1,161,322****Post War Construction Fund (IC 7.1-4-8-1)****A&E Fees: Repl.Cellhouse Locking Systems 250,000****Master Plan: New Visitation Building 2,500,000****Master Plan: New Checkpoint/Fencing 1,500,000****Repair and Rehabilitation 6,625,000****PENDLETON CORRECTIONAL FACILITY****Preventive Maintenance 996,396****Post War Construction Fund (IC 7.1-4-8-1)****Repair and Rehabilitation 75,000****WOMEN'S PRISON****Preventive Maintenance 273,000****Repair and Rehabilitation 1,000,000****Post War Construction Fund (IC 7.1-4-8-1)****Repair and Rehabilitation 550,000****NEW CASTLE CORRECTIONAL FACILITY****Preventive Maintenance 660,660****PUTNAMVILLE CORRECTIONAL FACILITY****Preventive Maintenance 843,022****Post War Construction Fund (IC 7.1-4-8-1)****A&E Visitation/Admin Bldg 287,000****Repair and Rehabilitation 885,000****PLAINFIELD JUVENILE CORRECTIONAL FACILITY****Preventive Maintenance 543,947****Post War Construction Fund (IC 7.1-4-8-1)****Repair and Rehabilitation 540,000****INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY****Preventive Maintenance 325,146****Post War Construction Fund (IC 7.1-4-8-1)****Repair and Rehabilitation 780,000****BRANCHVILLE CORRECTIONAL FACILITY****Preventive Maintenance 344,870****Post War Construction Fund (IC 7.1-4-8-1)****Repair and Rehabilitation 734,000****WESTVILLE CORRECTIONAL FACILITY****Preventive Maintenance 1,191,891****Post War Construction Fund (IC 7.1-4-8-1)**

1	Master Plan - Vehicle Repair Building	500,000
2	Repair and Rehabilitation	1,700,000
3	<b>ROCKVILLE CORRECTIONAL FACILITY</b>	
4	Preventive Maintenance	344,870
5	<b>PLAINFIELD CORRECTIONAL FACILITY</b>	
6	Preventive Maintenance	575,751
7	Post War Construction Fund (IC 7.1-4-8-1)	
8	Repair and Rehabilitation	3,215,000
9	<b>RECEPTION-DIAGNOSTIC CENTER</b>	
10	Preventive Maintenance	216,472
11	Post War Construction Fund (IC 7.1-4-8-1)	
12	Repair and Rehabilitation	1,100,000
13	<b>PEN PRODUCTS</b>	
14	Industry and Farm Products Revolving Fund (IC 11-10-6-6)	
15	Preventive Maintenance	110,292
16	<b>CORRECTIONAL INDUSTRIAL FACILITY</b>	
17	Preventive Maintenance	520,023
18	Post War Construction Fund (IC 7.1-4-8-1)	
19	Repair and Rehabilitation	250,000
20	<b>WORK RELEASE CENTERS</b>	
21	Preventive Maintenance	100,732
22	<b>WABASH VALLEY CORRECTIONAL FACILITY</b>	
23	Preventive Maintenance	833,560
24	Post War Construction Fund (IC 7.1-4-8-1)	
25	Repair and Rehabilitation	299,000
26	<b>MIAMI CORRECTIONAL FACILITY</b>	
27	Preventive Maintenance	521,400
28	<b>PENDLETON JUVENILE CORRECTIONAL FACILITY</b>	
29	Preventive Maintenance	364,000
30		
31	<b>C. CONSERVATION AND ENVIRONMENT</b>	
32		
33	<b>DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION</b>	
34	Preventive Maintenance	266,000
35	General Admin. - ADA	1,000,000
36	Repair and Rehabilitation	6,500,000
37	<b>FISH AND WILDLIFE</b>	
38	Preventive Maintenance	1,810,863
39	F&W - Public Access Land Acq.	817,000
40	Repair and Rehabilitation	2,555,000
41	<b>FORESTRY</b>	
42	Preventive Maintenance	1,756,800
43	Repair and Rehabilitation	5,119,650
44	<b>MUSEUMS AND HISTORIC SITES</b>	
45	Preventive Maintenance	331,586
46	Repair and Rehabilitation	3,768,520
47	<b>NATURE PRESERVES</b>	
48	Preventive Maintenance	134,200
49	Repair and Rehabilitation	1,093,000





1	<b>OUTDOOR RECREATION</b>	
2	Preventive Maintenance	33,306
3	Repair and Rehabilitation	375,000
4	<b>STATE PARKS AND RESERVOIR MANAGEMENT</b>	
5	Preventive Maintenance	2,945,654
6	Parks/Res. - Charlestown	3,000,000
7	Repair and Rehabilitation	17,200,000
8	Drinking Water and Wastewater Projects	6,000,000
9	Cigarette Tax Fund (IC 6-7-1-29.1)	
10	Preventive Maintenance	3,562,500
11	<b>DIVISION OF WATER</b>	
12	Preventive Maintenance	250,000
13	Repair and Rehabilitation	925,000
14	Dam Repair and Rehabilitation	8,000,000
15	Shafer-Freeman Lakes Dredging Enhancement Project	1,000,000
16	<b>ENFORCEMENT</b>	
17	Preventive Maintenance	207,480
18	Repair and Rehabilitation	700,000
19	<b>STATE MUSEUM</b>	
20	Preventive Maintenance	650,000
21	Repair and Rehabilitation	300,000
22	<b>OIL AND GAS</b>	
23	Oil & Gas - Partnership Program	200,000
24	<b>ENTOMOLOGY</b>	
25	Entomology - Exotic Species Control	700,000
26	<b>WAR MEMORIALS COMMISSION</b>	
27	Preventive Maintenance	1,421,494
28	Repair and Rehabilitation	1,750,000
29	<b>MAUMEE RIVER BASIN COMMISSION</b>	
30	Repair and Rehabilitation	150,000
31	<b>LITTLE CALUMET RIVER BASIN COMMISSION</b>	
32	Little Calumet River Basin Devlpmnt Comm	2,000,000
33		
34	<b>D. TRANSPORTATION</b>	
35		
36	<b>AIRPORT DEVELOPMENT</b>	
37	Airport Development	1,200,000
38		
39	The foregoing allocation for the Indiana department of transportation is for airport	
40	development and shall be used for the purpose of assisting local airport authorities	
41	and local units of government in matching available federal funds under the airport	
42	improvement program and for matching federal grants for airport planning and for	
43	the other airport studies. Matching grants of aid shall be made in accordance with	
44	the approved annual capital improvements program of the Indiana department of	
45	transportation and with the approval of the governor and the budget agency.	
46		
47	<b>PORT COMMISSION</b>	
48	Pier #3 Southwind Maritime Center	1,200,000
49		



**E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS****(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION****FSSA CONSTRUCTION**

<b>Repair and Rehabilitation</b>	<b>4,200,000</b>
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**EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER**

<b>Preventive Maintenance</b>	<b>45,000</b>
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<b>Repair and Rehabilitation</b>	<b>950,000</b>
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**EVANSVILLE STATE HOSPITAL**

<b>Preventive Maintenance</b>	<b>756,756</b>
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<b>Repair and Rehabilitation</b>	<b>57,000</b>
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**MADISON STATE HOSPITAL**

<b>Preventive Maintenance</b>	<b>971,409</b>
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**LOGANSPOUT STATE HOSPITAL**

<b>Preventive Maintenance</b>	<b>963,144</b>
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<b>Transitional Care Unit</b>	<b>1,300,000</b>
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<b>Boiler Lease Payment</b>	<b>244,180</b>
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<b>Repair and Rehabilitation</b>	<b>3,211,925</b>
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**RICHMOND STATE HOSPITAL**

<b>Preventive Maintenance</b>	<b>1,210,724</b>
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<b>Repair and Rehabilitation</b>	<b>2,004,468</b>
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**LARUE CARTER MEMORIAL HOSPITAL**

<b>Preventive Maintenance</b>	<b>1,484,134</b>
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<b>Repair and Rehabilitation</b>	<b>1,500,000</b>
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**FORT WAYNE STATE DEVELOPMENTAL CENTER**

<b>Preventive Maintenance</b>	<b>1,424,803</b>
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<b>Repair and Rehabilitation</b>	<b>2,000,000</b>
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**(2) PUBLIC HEALTH****DEPARTMENT OF HEALTH**

<b>Repair and Rehabilitation</b>	<b>130,000</b>
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**SILVERCREST CHILDREN'S DEVELOPMENT CENTER**

<b>Preventive Maintenance</b>	<b>161,140</b>
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**SCHOOL FOR THE BLIND**

<b>Preventive Maintenance</b>	<b>565,714</b>
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**SCHOOL FOR THE DEAF**

<b>Preventive Maintenance</b>	<b>553,120</b>
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<b>Repair and Rehabilitation</b>	<b>72,752</b>
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**SOLDIERS' AND SAILORS' CHILDREN'S HOME**

<b>Preventive Maintenance</b>	<b>400,000</b>
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<b>Repair and Rehabilitation</b>	<b>645,536</b>
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**Vocational Construction Projects Fund (IC 16-33-4-10)**

<b>Repair and Rehabilitation</b>	<b>375,000</b>
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**(3) VETERANS' AFFAIRS****INDIANA VETERANS' HOME**

1	<b>Veterans' Home Building Fund (IC 10-17-9-7)</b>	
2	<b>Preventive Maintenance</b>	<b>1,000,000</b>
3	<b>Repair and Rehabilitation</b>	<b>3,527,332</b>
4		
5	<b>F. EDUCATION</b>	
6		
7	<b>HIGHER EDUCATION</b>	
8		
9	<b>INDIANA UNIVERSITY - TOTAL SYSTEM</b>	
10	General Repair and Rehab	<b>20,933,720</b>
11	<b>PURDUE UNIVERSITY - TOTAL SYSTEM</b>	
12	General Repair and Rehab	<b>16,611,550</b>
13	<b>INDIANA STATE UNIVERSITY</b>	
14	General Repair and Rehab	<b>4,122,676</b>
15	<b>UNIVERSITY OF SOUTHERN INDIANA</b>	
16	General Repair and Rehab	<b>800,828</b>
17	<b>BALL STATE UNIVERSITY</b>	
18	General Repair and Rehab	<b>5,242,038</b>
19	<b>VINCENNES UNIVERSITY</b>	
20	General Repair and Rehab	<b>2,008,410</b>
21	Steamline Replacement	<b>2,500,000</b>
22	Electrical Substation	<b>1,000,000</b>
23	<b>IVY TECH STATE COLLEGE</b>	
24	General Repair and Rehab	<b>1,473,652</b>
25	Planning - Greencastle Campus Expansion	<b>250,000</b>
26	Ft. Wayne Technology Center A&E	<b>2,500,000</b>

27

28 **SECTION 33. [EFFECTIVE JULY 1, 2005]**

29

30     The budget agency may employ one (1) or more architects or engineers to inspect

31     construction, rehabilitation, and repair projects covered by the appropriations in

32     this act or previous acts.

33

34 **SECTION 34. [EFFECTIVE JULY 1, 2005]**

35

36     If any part of a construction or rehabilitation and repair appropriation made by

37     this act or any previous acts has not been allotted or encumbered before the expiration

38     of two (2) biennia, the budget agency may determine that the balance of the appropriation

39     is not available for allotment. The appropriation may be terminated, and the balance

40     may revert to the fund from which the original appropriation was made.

41

42 **SECTION 35. [EFFECTIVE UPON PASSAGE]**

43

44     The budget agency may retain balances in the mental health fund at the end of any

45     fiscal year to ensure there are sufficient funds to meet appropriations for state

46     developmental centers in any subsequent year.

47

48 **SECTION 36. [EFFECTIVE JULY 1, 2005]**

49



1 (a) If the budget director determines at any time during the biennium that the executive branch  
2 of state government cannot meet its statutory obligations due to insufficient funds in the general  
3 fund, then notwithstanding IC 4-10-18, the budget agency, with the approval of the governor and  
4 after review by the budget committee, may transfer from the counter-cyclical revenue and  
5 economic stabilization fund to the general fund an amount necessary to maintain a positive  
6 balance in the general fund.

7 (b) The budget agency shall transfer one hundred million dollars (\$100,000,000) into the  
8 counter-cyclical revenue and economic stabilization fund during the state fiscal year ending June  
9 30, 2007, unless the budget agency determines there is an insufficient balance in the general fund  
10 to make the transfer.

11 (c) This SECTION expires July 2, 2007.

12  
13 SECTION 37. IC 4-1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

14 Sec. 1. (a) No individual may be compelled by any state agency, board, commission, department,  
15 bureau, or other entity of state government (referred to as "state agency" in this chapter) to provide the  
16 individual's Social Security number to the state agency against the individual's will, absent federal  
17 requirements to the contrary. However, the provisions of this chapter do not apply to the following:

18 (1) Department of state revenue.

19 (2) Department of workforce development.

20 (3) The programs administered by:

21 (A) the division of family and children;

22 (B) the division of mental health and addiction;

23 (C) the division of disability, aging, and rehabilitative services; and

24 (D) the office of Medicaid policy and planning;

25 of the office of the secretary of family and social services.

26 (4) Auditor of state.

27 (5) State personnel department.

28 (6) Secretary of state, with respect to the registration of broker-dealers, agents, and investment  
29 advisors.

30 (7) The legislative ethics commission, with respect to the registration of lobbyists.

31 (8) Indiana department of administration, with respect to bidders on contracts.

32 (9) Indiana department of transportation, with respect to bidders on contracts.

33 (10) Health professions bureau.

34 (11) Indiana professional licensing agency.

35 (12) ~~Indiana~~ Department of insurance, with respect to licensing of insurance producers.

36 (13) A pension fund administered by the board of trustees of the public employees' retirement  
37 fund.

38 (14) The Indiana state teachers' retirement fund.

39 (15) The state police benefit system.

40 (16) The alcohol and tobacco commission.

41 (b) The bureau of motor vehicles may, notwithstanding this chapter, require the following:

42 (1) That an individual include the individual's Social Security number in an application for an  
43 official certificate of title for any vehicle required to be titled under IC 9-17.

44 (2) That an individual include the individual's Social Security number on an application for  
45 registration.

46 (3) That a corporation, limited liability company, firm, partnership, or other business entity  
47 include its federal tax identification number on an application for registration.

48 (c) The Indiana department of administration, the Indiana department of transportation, the health



professions bureau, and the Indiana professional licensing agency may require an employer to provide its federal employer identification number.

(d) The department of correction may require a committed offender to provide the offender's Social Security number for purposes of matching data with the Social Security Administration to determine benefit eligibility.

(e) The Indiana gaming commission may, notwithstanding this chapter, require the following:

(1) That an individual include the individual's Social Security number in any application for a riverboat owner's license, supplier's license, or occupational license.

(2) That a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity include its federal tax identification number on an application for a riverboat owner's license or supplier's license.

(f) Notwithstanding this chapter, the ~~professional standards board~~ **department of education** established by ~~IC 20-1-1.4-2~~ **IC 20-1-1.1-2** may require an individual who applies to the board for a license or an endorsement to provide the individual's Social Security number. The Social Security number may be used by the board only for conducting a background investigation, if the board is authorized by statute to conduct a background investigation of an individual for issuance of the license or endorsement.

SECTION 38. IC 4-3-21 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 21. Office of Management and Budget**

**Sec. 1. The state will benefit from devoting adequate resources to do the following:**

**(1) Gather and coordinate data in a timely manner.**

**(2) Perform comprehensive and detailed budgeting analysis.**

**(3) Put in place comprehensive and effective budgeting practices.**

**(4) Coordinate all functions related to budgeting and controlling spending in state government.**

**(5) Perform comprehensive and detailed financial analysis.**

**(6) Perform comprehensive financial oversight.**

**(7) Ensure that effective financial management policies are implemented throughout state government.**

**(8) Perform comprehensive and detailed performance analysis.**

**(9) Ascertain whether the burdens imposed by laws and rules are justified by their benefits using a rigorous cost benefit analysis.**

**(10) Measure the performance of government activities.**

**Sec. 2. As used in this chapter, "director" means the director of the office of management and budget established by this chapter.**

**Sec. 3. (a) To address the needs set forth in section 1 of this chapter, there is established the office of management and budget, which is referred to in this chapter as the "OMB".**

**(b) The OMB shall have a director who is the chief financial officer of the state. The director shall report directly to the governor.**

**Sec. 4. The director is responsible and accountable for and has authority over the following:**

**(1) All functions performed by the following:**

**(A) The budget agency.**

**(B) The department of state revenue.**

**(C) The department of local government finance.**

**(D) The public finance office.**

**The directors of these agencies, departments, and offices shall report to the director and administer their offices and agencies in compliance with the policies and procedures related**



1 to fiscal management that are established by the OMB and approved by the governor.

2 (2) All budgeting, accounting, and spending functions within the various agencies,  
3 departments, and programs of state government.

4 Sec. 5. The director may serve as the budget director of the budget agency under IC 4-12-1-3  
5 unless the governor appoints another individual to serve as the budget director. If the director  
6 also serves as the budget director, the director is not entitled to receive any salary or other  
7 compensation as budget director.

8 Sec. 6. (a) The division of government efficiency and financial planning is established within  
9 the OMB. The director shall appoint, subject to the approval of the governor, a director of the  
10 division, who serves at the pleasure of the director of OMB.

11 (b) The division shall conduct operational and procedural audits of state government,  
12 perform financial planning, design and implement efficiency projects, and carry out such other  
13 responsibilities as may be designated by the director.

14 Sec. 7. The OMB shall assist the governor in the articulation, development, and execution of  
15 the governor's policies and programs on fiscal management.

16 Sec. 8. The OMB shall assist and represent the governor in the development and review of  
17 all policy, legislative, and rulemaking proposals affecting capital budgeting, procurement,  
18 e-government, and other matters related to fiscal management.

19 Sec. 9. The OMB shall harmonize agency views on legislation and facilitate the negotiation  
20 of policy positions for the governor.

21 Sec. 10. The OMB shall provide expertise to the governor for budget decision making and  
22 negotiations.

23 Sec. 11. The OMB shall analyze trends in and the consequences of aggregate budget policy.

24 Sec. 12. The OMB shall establish metrics for measuring state government performance and  
25 efficiency.

26 Sec. 13. The OMB shall perform a cost benefit analysis upon each proposed rule and provide  
27 to the governor an assessment of the rule's effect on Indiana business.

28 Sec. 14. All instrumentalities, agencies, authorities, boards, commissions, and officers of the  
29 executive, including the administrative, department of state government, and all bodies  
30 corporate and politic established as instrumentalities of the state shall:

31 (1) comply with the policies and procedures related to fiscal management that are  
32 established by the OMB and approved by the governor; and

33 (2) cooperate and provide assistance to the OMB.

34 Sec. 15. All state agencies (as defined in IC 4-12-1-2) shall, in addition to complying with all  
35 statutory duties applicable to state purchasing, be accountable to the OMB for adherence to  
36 policies, procedures, and spending controls established by the OMB and approved by the  
37 governor.

38 SECTION 39. IC 4-9.1-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
39 PASSAGE]: Sec. 7. (a) The board may transfer money between state funds, and the board may transfer  
40 money between appropriations for any board, department, commission, office, or benevolent or penal  
41 institution of the state. After the transfer is made the money of the fund or appropriation transferred  
42 is not available to the fund or the board, department, commission, office, or benevolent or penal  
43 institution from which it was transferred.

44 (b) In addition to a transfer under subsection (a), the board may transfer money from an  
45 appropriation for any board, department, commission, office, or benevolent or penal institution  
46 of the state to the Indiana economic development corporation.

47 ~~(b)~~ (c) An order by the board to make a transfer under this section is sufficient authority for the  
48 making of appropriate entries showing the transfer on the books of the auditor of state and treasurer



1 of state.

2 ~~(c)~~ (d) The authority given the board under this section to make transfers does not apply to trust  
3 funds. For the purposes of this section, "trust fund" means a fund which by the constitution or by  
4 statute has been designated as a trust fund or a fund which has been determined by the board to be a  
5 trust fund.

6 SECTION 40. IC 4-12-1-18 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
7 READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 18. Federal funds received by an**  
8 **instrumentality are appropriated for purposes specified by the federal government, subject to**  
9 **allotment by the budget agency. The provisions of this chapter and other laws concerning the**  
10 **acceptance, disbursement, review, and approval of grants, loans, and gifts made by the federal**  
11 **government or any other source to the state or its agencies apply to instrumentalities.**

12 SECTION 41. IC 4-20.5-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
13 PASSAGE]: Sec. 2. The agency head of a transferring agency must do the following:

14 (1) Find that the property is surplus to the needs of the agency.

15 (2) Notify the department that the agency wants to transfer the property.

16 (3) Provide the details of the proposed transfer as required by the department.

17 (4) Request **to the budget agency**, in writing, **approval of that** the governor **to approve the**  
18 **transfer of** the property.

19 Subdivisions (1) and (4) do not apply to a lease of state property.

20 SECTION 42. IC 4-20.5-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
21 PASSAGE]: Sec. 7. (a) ~~If the commissioner finds that another agency or a state educational institution~~  
22 ~~can use the property, the~~ **Surplus** property may, **under the policies prescribed by the budget**  
23 **agency**, be transferred to ~~the other another~~ agency or ~~the a~~ state educational institution.

24 (b) The **policies of the budget agency must include a requirement that the** agency head of the  
25 accepting agency or the state educational institution ~~must~~ do the following:

26 (1) Find that the property is necessary or convenient to the accepting agency's or state educational  
27 institution's use or purpose.

28 (2) Request, in writing, approval of the governor to transfer possession of the property from the  
29 transferring agency.

30 (c) With the approval of the budget agency, the accepting agency or state educational institution  
31 may transfer funds to the transferring agency in consideration of the transfer.

32 (d) The offer to the transferring agency must remain open for thirty (30) days after the offer was  
33 made. If an offer has not been rejected or accepted by the agency within thirty (30) days, the  
34 department may dispose of the property as otherwise permitted under this chapter.

35 SECTION 43. IC 4-24-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
36 2005]: Sec. 2. For all claims that the ~~Plainfield Juvenile Correctional Facility or the Indianapolis~~  
37 ~~Juvenile Correctional Facility~~ **department of correction** may have against any county for the payment  
38 of the county's portion of the cost of the maintenance of any inmate ~~of such at a juvenile~~ institution  
39 ~~which inmate who~~ was admitted to ~~such the~~ institution from ~~such that~~ county, the superintendent of  
40 ~~such the~~ institution shall make out an account ~~therefor~~ against ~~such the~~ county, in a manner ~~as~~  
41 ~~hereinafter provided in this chapter.~~

42 SECTION 44. IC 4-24-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
43 2005]: Sec. 4. (a) ~~From and after January 1, 1953, such~~ Accounts of state institutions ~~as are~~ described  
44 in sections 1 ~~2~~; and 3 of this chapter shall be paid as follows:

45 (1) All such accounts shall be signed by the superintendent of such institution, attested to by the  
46 seal of the institution, and forwarded to the auditor of the county for payment from which county  
47 the inmate or patient was admitted.

48 (2) All accounts accruing between January 1 and June 30 of each year shall be forwarded to the



county auditor on or before October 1 of such year.

(3) All accounts accruing between July 1 and December 31 of each year shall be forwarded to the county auditor on or before April 1 of the following year.

(4) Upon receipt of any such account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, and the same shall be paid out of the funds of the county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

**(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:**

**(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county the inmate was admitted.**

**(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.**

**(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.**

**(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.**

**(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous periods, shall be forwarded to the county auditor on or before March 15 of the following year.**

**(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.**

**(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.**

**If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in IC 6-1.1-21, reduce the next distribution of property tax replacement credits under IC 6-1.1-21 to the county and withhold the amount owed on the account. The auditor of state shall credit the withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid. A county that has the county's distribution reduced under this subsection shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.**

**SECTION 45. IC 4-30-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The commission shall transfer the surplus revenue in the administrative trust fund as follows:**

**(1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 21-6.1-2), before July 1, 2005, seven million five hundred thousand dollars (\$7,500,000). and after June 30, 2005, an amount equal to the lesser of:**

**(A) seven million five hundred thousand dollars (\$7,500,000); or**

**(B) the additional quarterly contribution needed so that the ratio of the unfunded liability of the Indiana state teachers' retirement fund compared to total active teacher payroll is as close as possible to but not greater than the ratio that existed on the preceding July 1.**

**After June 30, 2003, and before July 1, 2005, the amount deposited in a state fiscal year under this subdivision in the Indiana state teachers' retirement fund (IC 21-6.1-2) shall only be used by**





1 the board to reduce the employer contribution rate that school corporations would otherwise pay  
2 after June 30, 2003; and before July 1, 2005; to the Indiana state teachers' retirement fund  
3 (IC 21-6.1-2); as computed under IC 5-10.2-2 and certified under IC 21-6.1-7-12; for teachers  
4 covered by the 1996 account; including a proportionate share of administration expenses for the  
5 1996 account. On or before June 15, 2005; and June 15 of each year thereafter; the board of  
6 trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state; each  
7 member of the pension management oversight commission; and the auditor of state its estimate  
8 of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account  
9 (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most  
10 recent actuarial valuation of the fund. Notwithstanding any other law, including any  
11 appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), after June 30, 2005;  
12 the money transferred under this subdivision shall be set aside in a special account the pension  
13 stabilization fund (IC 21-6.1-2-8) to be used as a credit against the unfunded accrued liability  
14 of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement  
15 fund. The money transferred is in addition to the appropriation needed to pay benefits for the  
16 state fiscal year.

17 (2) Before the last business day of January, April, July, and October, the commission shall  
18 transfer:

19 (A) two million five hundred thousand dollars (\$2,500,000) of the surplus revenue to the  
20 treasurer of state for deposit in the "k" portion of the pension relief fund (IC 5-10.3-11); and

21 (B) five million dollars (\$5,000,000) of the surplus revenue to the treasurer of state for deposit  
22 in the "m" portion of the pension relief fund (IC 5-10.3-11).

23 (3) The surplus revenue remaining in the fund on the last day of January, April, July, and October  
24 after the transfers under subdivisions (1) and (2) shall be transferred by the commission to the  
25 treasurer of state for deposit on that day in the build Indiana fund.

26 (b) The commission may make transfers to the treasurer of state more frequently than required by  
27 subsection (a). However, the number of transfers does not affect the amount that is required to be  
28 transferred for the purposes listed in subsection (a)(1) and (a)(2). Any amount transferred during the  
29 month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1)  
30 and (a)(2) shall be transferred to the build Indiana fund.

31 SECTION 46. IC 4-33-13-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
32 2005]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent  
33 operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this  
34 chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming  
35 fund under this chapter to the following:

36 (1) The first thirty-three million dollars (\$33,000,000) of tax revenues collected under this  
37 chapter shall be set aside for revenue sharing under subsection (e).

38 (2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted  
39 by each licensed owner shall be paid:

40 (A) to the city that is designated as the home dock of the riverboat from which the tax revenue  
41 was collected, in the case of:

42 (i) a city described in IC 4-33-12-6(b)(1)(A); or

43 (ii) a city located in a county having a population of more than four hundred thousand  
44 (400,000) but less than seven hundred thousand (700,000); or

45 (B) to the county that is designated as the home dock of the riverboat from which the tax  
46 revenue was collected, in the case of a riverboat whose home dock is not in a city described  
47 in clause (A).

48 (3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner



1 shall be paid to the property tax replacement fund. In each state fiscal year, ~~beginning after June~~  
2 ~~30, 2003~~, the treasurer of state shall make the transfer required by this subdivision not later than  
3 the last business day of the month in which the tax revenue is remitted to the state for deposit in  
4 the state gaming fund. However, if tax revenue is received by the state on the last business day  
5 in a month, the treasurer of state may transfer the tax revenue to the property tax replacement  
6 fund in the immediately following month.

7 (b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat  
8 in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the  
9 treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter  
10 as follows:

11 (1) Thirty-seven and one half percent (37.5%) shall be paid to the property tax replacement fund  
12 established under IC 6-1.1-21.

13 (2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic  
14 hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time  
15 the balance in that fund exceeds twenty million dollars (\$20,000,000), the amount described in  
16 this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

17 (3) Five percent (5%) shall be paid to the historic hotel preservation commission established  
18 under IC 36-7-11.5.

19 (4) Ten percent (10%) shall be paid in equal amounts to each town that:

20 (A) is located in the county in which the riverboat docks; and

21 (B) contains a historic hotel.

22 The town council shall appropriate a part of the money received by the town under this  
23 subdivision to the budget of the town's tourism commission.

24 (5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat  
25 is docked. The county treasurer shall distribute the money received under this subdivision as  
26 follows:

27 (A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county  
28 having a population of more than thirty-nine thousand six hundred (39,600) but less than forty  
29 thousand (40,000) for appropriation by the county fiscal body after receiving a  
30 recommendation from the county executive. The county fiscal body for the receiving county  
31 shall provide for the distribution of the money received under this clause to one (1) or more  
32 taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the  
33 county fiscal body after receiving a recommendation from the county executive.

34 (B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county  
35 having a population of more than ten thousand seven hundred (10,700) but less than twelve  
36 thousand (12,000) for appropriation by the county fiscal body after receiving a  
37 recommendation from the county executive. The county fiscal body for the receiving county  
38 shall provide for the distribution of the money received under this clause to one (1) or more  
39 taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the  
40 county fiscal body after receiving a recommendation from the county executive.

41 (C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for  
42 appropriation by the county fiscal body after receiving a recommendation from the county  
43 executive. The county fiscal body shall provide for the distribution of part or all of the money  
44 received under this clause to the following under a formula established by the county fiscal  
45 body:

46 (i) A town having a population of more than two thousand two hundred (2,200) but less than  
47 three thousand five hundred (3,500) located in a county having a population of more than  
48 nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).



(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2)(A) or ~~(a)(2)(C)~~; **(a)(2)(B)**, the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, ~~beginning after June 30, 2002~~, the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular ~~city~~ **city's** or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;  
to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars (\$250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of ~~2003~~ and each year, ~~thereafter~~, the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5);

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property



1 tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city,  
2 town, or county under IC 6-1.1-18.5.

3 (g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before  
4 September 15 of 2003 and each year, ~~thereafter~~, the treasurer of state shall determine the total amount  
5 of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the  
6 treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6  
7 during the preceding state fiscal year was less than the entity's base year revenue (as determined under  
8 IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes  
9 collected under this chapter and deposited into the property tax replacement fund. The amount of the  
10 supplemental distribution is equal to: ~~the difference between~~

11 (1) the entity's base year revenue (as determined under IC 4-33-12-6); and minus

12 (2) the sum of:

13 (A) the total amount of money distributed to the entity during the preceding state fiscal year  
14 under IC 4-33-12-6; plus

15 (B) any amounts deducted under IC 6-3.1-20-7.

16 (h) This subsection applies only to a county containing a consolidated city. The county auditor shall  
17 distribute the money received by the county under subsection (d) as follows:

18 (1) To each city, other than a consolidated city, located in the county according to the ratio that  
19 the city's population bears to the total population of the county.

20 (2) To each town located in the county according to the ratio that the town's population bears to  
21 the total population of the county.

22 (3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be  
23 paid in equal amounts to the consolidated city and the county.

24 SECTION 47. IC 5-10-8-7.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
25 2005]: Sec. 7.3. (a) As used in this section, "covered individual" means an individual who is:

26 (1) covered under a self-insurance program established under section 7(b) of this chapter to  
27 provide group health coverage; or

28 (2) entitled to services under a contract with a prepaid health care delivery plan that is entered  
29 into or renewed under section 7(c) of this chapter.

30 (b) As used in this section, "early intervention services" means services provided to a first steps  
31 child under IC 12-17-15-3 and 20 U.S.C. 1432(4).

32 (c) As used in this section, "first steps child" means an infant or toddler from birth through two (2)  
33 years of age who is enrolled in the Indiana first steps program and is a covered individual.

34 (d) As used in this section, "first steps program" refers to the program established under  
35 IC 12-17-15 and 20 U.S.C. 1431 et seq. to meet the needs of:

36 (1) children who are eligible for early intervention services; and

37 (2) their families.

38 The term includes the coordination of all available federal, state, local, and private resources available  
39 to provide early intervention services within Indiana.

40 (e) As used in this section, "health benefits plan" means a:

41 (1) self-insurance program established under section 7(b) of this chapter to provide group health  
42 coverage; or

43 (2) contract with a prepaid health care delivery plan that is entered into or renewed under section  
44 7(c) of this chapter.

45 (f) A health benefits plan that provides coverage for early intervention services shall reimburse the  
46 first steps program for payments made by the program for early intervention services that are covered  
47 under the health benefits plan.

48 (g) The reimbursement required under subsection (f) is limited to an annual maximum benefit of



1 three thousand five hundred dollars (\$3,500) per first steps child.

2 ~~(h)~~ (g) The reimbursement required under subsection (f) may not be applied to any annual or  
3 aggregate lifetime limit on the first steps child's coverage under the health benefits plan.

4 ~~(i)~~ (h) The first steps program may pay required deductibles, copayments, or other out-of-pocket  
5 expenses for a first steps child directly to a provider. A health benefits plan shall apply any payments  
6 made by the first steps program to the health benefits plan's deductibles, copayments, or other  
7 out-of-pocket expenses according to the terms and conditions of the health benefits plan.

8 SECTION 48. IC 5-10.2-2-4.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
9 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 4.1. Interest credited before July 1, 2005,**  
10 **in the annuity savings account of the public employees' retirement fund to suspended members**  
11 **participating in the guaranteed fund under section 3 of this chapter are to be treated as properly**  
12 **credited.**

13 SECTION 49. IC 5-10.2-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
14 2005]: Sec. 11. (a) Based on the actuarial investigation and valuation in section 9 of this chapter, each  
15 board shall determine:

16 (1) the normal contribution for the employer, which is the amount necessary to fund the pension  
17 portion of the retirement benefit;

18 (2) the rate of normal contribution;

19 (3) the unfunded accrued liability of the public employees' retirement fund, the pre-1996 account,  
20 and the 1996 account, which is the excess of total accrued liability over the fund's or account's  
21 total assets, respectively; and

22 (4) the rates of contribution for the state expressed as a proportion of compensation of members,  
23 which would be necessary to:

24 (A) amortize the unfunded accrued liability of the state for thirty (30) years or for ~~the a~~  
25 **shorter** time period requested by the budget agency or the governor; and

26 (B) prevent the state's unfunded accrued liability from increasing.

27 (b) Based on the information in subsection (a), each board may determine, in its sole discretion,  
28 contributions and contribution rates for individual employers or for a group of employers.

29 (c) The board's determinations under subsection (a) are subject to section 1.5 of this chapter.

30 SECTION 50. IC 5-10.2-5-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
31 2005]: Sec. 34. (a) This section does not apply to a member of the public employees' retirement fund  
32 (or to a survivor or beneficiary of a member of the public employees' retirement fund) whose  
33 creditable service was earned only as an elected official.

34 (b) In addition to any other cost of living increase provided under this chapter, the pension portion  
35 (plus postretirement increases to the pension portion) provided by employer contributions of the  
36 monthly benefit payable after December 31, ~~2003~~, **2005**, to a member of the public employees'  
37 retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund)  
38 who was a retired member of the fund with at least ten (10) years of creditable service and was entitled  
39 to receive a monthly benefit on December 1, ~~2003~~, **2004**, may not be less than one hundred eighty  
40 dollars (\$180).

41 (c) The increases specified in this section:

42 (1) are based upon the date of the member's latest retirement or disability;

43 (2) do not apply to benefits payable in a lump sum; and

44 (3) are in addition to any other increase provided by law.

45 SECTION 51. IC 5-10.2-5-38 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
46 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 38. (a) The pension portion (plus**  
47 **postretirement increases to the pension portion) provided by employer contributions of the**  
48 **monthly benefit payable after December 31, 2005, to a member of the public employees'**



1 retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement  
2 fund) who retired or was disabled:

- 3 (1) before July 2, 1990, shall be increased by two percent (2%); and
- 4 (2) after July 1, 1990, and before January 1, 2005, shall be increased by one and one-half  
5 percent (1.5%).

6 (b) The increases specified in this section:

- 7 (1) are based on the date of the member's latest retirement or disability;
- 8 (2) do not apply to benefits payable in a lump sum; and
- 9 (3) are in addition to any other increase provided by law.

10 SECTION 52. IC 5-10.2-5-39 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
11 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 39. (a) The pension portion (plus  
12 postretirement increases to the pension portion) provided by employer contributions of the  
13 monthly benefit payable after December 31, 2005, to a member of the Indiana state teachers'  
14 retirement fund (or to a survivor or beneficiary of a member of the Indiana state teachers'  
15 retirement fund) who retired or was disabled:

- 16 (1) before July 2, 1990, shall be increased by two percent (2%); and
- 17 (2) after July 1, 1990, and before July 2, 2003, shall be increased by one percent (1%).

18 (b) The increases specified in this section:

- 19 (1) are based on the date of the member's latest retirement or disability;
- 20 (2) do not apply to benefits payable in a lump sum; and
- 21 (3) are in addition to any other increase provided by law.

22 SECTION 53. IC 5-11-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
23 2005]: Sec. 1. There is established a state board of accounts. The board consists of the state examiner  
24 and two (2) deputy examiners as provided in this section. The principal officer of the board is the state  
25 examiner, who shall be appointed by the governor ~~and who shall hold office~~ for a term of four (4)  
26 years from the date of appointment. **However, the state examiner serves at the pleasure of the**  
27 **governor.** The state examiner must be a certified public accountant with at least seven (7) consecutive  
28 years of active experience as a field examiner with the state board of accounts that immediately  
29 precedes the appointment as state examiner. The governor shall also appoint two (2) deputy examiners,  
30 who must have the same qualifications as the state examiner, be of different political parties, and be  
31 subordinate to the state examiner. The deputy examiners shall be appointed for terms of four (4) years.  
32 **However, the deputy examiners serve at the pleasure of the governor. In addition,** the state  
33 examiner and the deputy examiners are subject to removal by the governor for incompetency or for  
34 misconduct of the office, after a hearing upon due notice and upon stated charges in writing. An appeal  
35 may be taken by the officer removed **for incompetency or for misconduct** to the circuit or a superior  
36 court of Marion County.

37 SECTION 54. IC 5-22-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
38 PASSAGE]: Sec. 7. ~~(a)~~ Except as provided in section 7.5 of this chapter, surplus property available  
39 for sale ~~shall first~~ **may, under the policies prescribed by the budget agency,** be offered for sale to  
40 ~~all~~ political subdivisions. **The policies of the budget agency must require that** if the property is in  
41 the possession of the Indiana department of transportation **and is to be offered to political**  
42 **subdivisions,** the commissioner shall notify each supervisor of county highways appointed under  
43 IC 8-17-3-1 of the sale.

44 (b) Notice of the sale shall be mailed or provided by another means at least fifteen (15) days before  
45 the date of the sale to each county auditor and to each political subdivision that has previously  
46 requested notice of the sale from the commissioner. Information regarding the sale shall also be made  
47 available at any time before the sale to political subdivisions upon request.

48 (c) A political subdivision that wants to purchase the property must deliver a sealed bid to the



1 commissioner before the date of the sale to political subdivisions:

2 (d) The department shall sell the surplus property to the highest responsible governmental bidder.  
3 The commissioner shall determine a market price for the surplus property that is stated in the notice  
4 of the sale. The department shall sell the surplus property to the highest governmental bidder whose  
5 bid equals or exceeds the market price determined by the commissioner.

6 (e) The department shall deliver possession of the surplus property to the governmental bidder after  
7 the bidder approves a claim for payment submitted by the department.

8 SECTION 55. IC 5-22-21-7.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
9 PASSAGE]: Sec. 7.5. (a) This section applies to surplus computer hardware that:

10 (1) is not usable by a state agency as determined under section 6 of this chapter; and

11 (2) has market value.

12 (b) As used in this section, "educational entity" refers to the following:

13 (1) A school corporation as defined in IC 36-1-2-17 or nonpublic schools as defined in  
14 IC 20-10.1-1-3.

15 (2) The corporation for educational technology described in IC 20-10.1-25.1.

16 (c) As used in this section, "market value" means the value of the property is more than the  
17 estimated costs of sale and transportation of the property.

18 (d) Surplus computer hardware available for sale ~~must~~ **may, under the policies prescribed by the**  
19 **budget agency**, be offered first to an educational entity. Notice of the sale must be given to the  
20 corporation for educational technology and to each school corporation through publication in a  
21 publication of the department of education or other appropriate association or department.

22 (e) Sealed bids shall be delivered by educational entities to the office of the commissioner before  
23 the date of the sale to educational entities. Surplus personal property shall be sold to the highest  
24 responsible bidder as determined by the commissioner. The department shall deliver possession of the  
25 surplus property to the successful bidder after the bidder submits an executed purchase order to the  
26 department.

27 (f) If the surplus computer hardware:

28 (1) is not sold to an educational entity under this section; and

29 (2) had an original purchase price of more than two thousand five hundred dollars (\$2,500);  
30 the property shall be offered for sale to political subdivisions as described in section 7 of this chapter.

31 SECTION 56. IC 6-1.1-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY  
32 1, 2004 (RETROACTIVE)]: Sec. 23. (a) For purposes of this section:

33 (1) "adjusted cost" refers to the adjusted cost established in 50 IAC 4.2-4-4 (as in effect on  
34 January 1, 2003);

35 (2) "depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-1 (as in effect on  
36 January 1, 2003);

37 (3) "integrated steel mill" means a person, **or a subsidiary of a corporation**, that produces steel  
38 by processing iron ore and other raw materials in a blast furnace **in Indiana**;

39 (4) "oil refinery/petrochemical company" means a person that produces a variety of petroleum  
40 products by processing an annual average of at least one hundred thousand (100,000) barrels of  
41 crude oil per day;

42 (5) "permanently retired depreciable personal property" has the meaning set forth in 50  
43 IAC 4.2-4-3 (as in effect on January 1, 2003);

44 (6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in effect on January 1, 2003);

45 (7) "special integrated steel mill or oil refinery/petrochemical equipment" means depreciable  
46 personal property, other than special tools and permanently retired depreciable personal property:

47 (A) that:

48 (i) is owned, leased, or used by an integrated steel mill or an entity that is at least fifty



percent (50%) owned by an affiliate of an integrated steel mill; and  
(ii) falls within Asset Class 33.4 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647; or  
(B) that:  
(i) is owned, leased, or used as an integrated part of an oil refinery/petrochemical company or its affiliate; and  
(ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647;  
(8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as in effect on January 1, 2003); and  
(9) "year of acquisition" refers to the year of acquisition determined under 50 IAC 4.2-4-6 (as in effect on January 1, 2003).  
(b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment by multiplying the adjusted cost of that equipment by the percentage set forth in the following table:

Year of Acquisition	Percentage
1	40%
2	56%
3	42%
4	32%
5	24%
6	18%
7	15%
8 and older	10%

(c) The department of local government finance shall designate the table under subsection (b) as "Pool No. 5" on the business personal property tax return.

(d) The percentage factors in the table under subsection (b) automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for special integrated steel mill or oil refinery/petrochemical equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not apply to special integrated steel mill or oil refinery/petrochemical equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(f) An election to value special integrated steel mill or oil refinery/petrochemical equipment under this section:

(1) must be made by reporting the equipment under this section on a business personal property tax return;

(2) applies to all of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and

(3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the March 1, 2003, assessment date. Any special integrated steel mill or oil refinery/petrochemical equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(g) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than Pool No. 5 is attributable to special





integrated steel mill or oil refinery/petrochemical equipment, the taxpayer may elect to calculate the true tax value of all of that property as special integrated steel mill or oil refinery/petrochemical equipment. The true tax value of property for which an election is made under this subsection is calculated under subsections (b) through (f).

SECTION 57. IC 6-1.1-19-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the **part of the** school corporation's previous year general fund property tax rate ~~after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3); imposed for the school corporation's tuition support levy (as defined in IC 21-3-1.7-5), but before the reductions in IC 21-3-1.7-5.~~

(b) Except as otherwise provided in this chapter, a school corporation may not for a calendar year beginning after ~~December 31, 2004~~, impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, ~~perform the calculation under STEP THREE and not under STEP FOUR; TWO result for the school corporation is the school corporation's previous year property tax rate after increasing the rate by the lesser of:~~

~~(A) the STEP ONE result; or~~

~~(B) three cents (\$0.03); or~~

~~(B) is less than the school corporation's previous year property tax rate, perform the calculation under STEP FOUR and not under STEP THREE; TWO result is the school corporation's previous year property tax rate after reducing the rate by the lesser of:~~

~~(A) the absolute value of the STEP ONE result; or~~

~~(B) eight cents (\$0.08); or~~

~~(C) equals the school corporation's previous year property tax rate, determine the levy resulting from using STEP TWO result is the school corporation's adjusted target property tax rate. and do not perform the calculation under STEP THREE or STEP FOUR.~~

STEP THREE: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:

(A) the STEP ONE result; or

(B) five cents (\$0.05).

STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:

(A) the absolute value of the STEP ONE result; or

(B) five cents (\$0.05).

STEP THREE: Divide the school corporation's total assessed value by one hundred dollars (\$100).

STEP FOUR: Multiply the STEP TWO result by the STEP THREE result.



1 STEP FIVE: Determine the ~~result~~ **sum of the following:**

2 (A) The ~~STEP TWO (C), STEP THREE, or STEP FOUR~~ result. ~~whichever applies; plus~~

3 (B) An amount equal to the annual decrease in federal aid to impacted areas from the year  
4 preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar  
5 year by two (2) years.

6 (C) The ~~part of the~~ maximum **general fund** levy is to ~~include for the portion of any excessive~~  
7 ~~levy and year that equals the original amount of the levy for by the school corporation to~~  
8 ~~cover the costs of opening a new facilities school facility or reopening an existing facility~~  
9 ~~during the preceding year.~~

10 (D) The amount determined under item (iv) of the following formula:

11 (i) Determine the target revenue per ADM under IC 21-3-1.7-6.7 for each charter school  
12 that included at least one (1) student who has legal settlement in the school corporation  
13 in the charter school's current ADM.

14 (ii) For each charter school, multiply the item (i) amount by the number of students who  
15 have legal settlement in the school corporation and who are included in the charter  
16 school's current ADM.

17 (iii) Determine the sum of the item (ii) amounts.

18 (iv) Multiply the item (iii) amount by

19 STEP SIX: Determine the result of:

20 (A) the STEP FIVE result; plus

21 (B) the product of:

22 (i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for  
23 all charter schools attended by students who have legal settlement in the school corporation;  
24 multiplied by

25 (ii) thirty-five hundredths (0.35).

26 In determining the number of students for purposes of this ~~STEP; clause~~, each kindergarten  
27 pupil shall be counted as one-half (1/2) pupil.

28 The result determined under this STEP may not be included in the school corporation's adjusted  
29 base levy for the year following the year in which the result applies or in the school corporation's  
30 determination of tuition support.

31 (c) For purposes of this section, "total assessed value" with respect to a school corporation means  
32 the total assessed value of all taxable property for ad valorem property taxes first due and payable  
33 during that year.

34 (d) The department of local government finance shall annually establish an assessment ratio and  
35 adjustment factor for each school corporation to be used upon the review and recommendation of the  
36 budget committee. The information compiled, including background documentation, may not be used  
37 in a:

38 (1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

39 (2) petition for a correction of error under IC 6-1.1-15-12; or

40 (3) petition for refund under IC 6-1.1-26.

41 (e) All tax rates ~~shall be computed by rounding the rate to the nearest one-hundredth of a cent~~  
42 ~~(\$0.0001). All and~~ tax levies **computed under this section** shall be computed by rounding the levy  
43 to the nearest dollar amount. **in conformity with IC 21-3-1.7-7.**

44 (f) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school  
45 corporation may impose a general fund ad valorem property tax levy in the amount determined under  
46 STEP EIGHT of the following formula:

47 STEP ONE: Determine the quotient of:

48 (A) the school corporation's 2003 assessed valuation; divided by



(B) the school corporation's 2002 assessed valuation.

STEP TWO: Determine the greater of zero (0) or the difference between:

(A) the STEP ONE amount; minus

(B) one (1).

STEP THREE: Determine the lesser of eleven-hundredths (0.11) or the product of:

(A) the STEP TWO amount; multiplied by

(B) eleven-hundredths (0.11).

STEP FOUR: Determine the sum of:

(A) the STEP THREE amount; plus

(B) one (1).

STEP FIVE: Determine the product of:

(A) the STEP FOUR amount; multiplied by

(B) the school corporation's general fund ad valorem property tax levy for calendar year 2003.

STEP SIX: Determine the lesser of:

(A) the STEP FIVE amount; or

(B) the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by five cents (\$0.05).

STEP SEVEN: Determine the result of:

(A) the STEP SIX amount; plus

(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

The maximum levy is to include the part of any excessive levy and the levy for new facilities.

STEP EIGHT: Determine the result of:

(A) the STEP SEVEN result; plus

(B) the product of:

(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by

(ii) thirty-five hundredths (0.35).

In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.

The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.

SECTION 58. IC 6-1.1-20.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

**Chapter 20.6. Local Homestead Credits**

**Sec. 1.** As used in this chapter, "revenue" includes revenue received by a political subdivision under any law or from any person.

**Sec. 2.** (a) A political subdivision may adopt an ordinance each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads eligible for the state homestead credit under IC 6-1.1-20.9. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.

(b) A homestead credit under this chapter is to be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.



1 (c) A homestead credit under this chapter does not reduce the basis for determining the state  
2 property tax replacement credit under IC 6-1.1-21 or the state homestead credit under  
3 IC 6-1.1-20.9.

4 **Sec. 3. An ordinance adopted under this chapter must provide for a homestead credit that is**  
5 **either a uniform:**

6 (1) percentage of the net property taxes due on the homestead after the application of all  
7 other deductions and credits; or

8 (2) dollar amount applicable to each homestead.

9 The ordinance must specify the percentage or the dollar amount.

10 **Sec. 4. (a) If an ordinance is adopted under this chapter, the county auditor shall, for the**  
11 **calendar year in which a homestead credit is authorized under this chapter, retain from the**  
12 **property tax distributions to the political subdivision the amount necessary so that no other civil**  
13 **taxing unit or school corporation in the county suffers a net revenue loss because of the**  
14 **allowance of the homestead credit.**

15 (b) The county auditor shall then distribute the revenue used to offset the homestead credit  
16 to the political subdivision. This amount of revenue shall be allocated by the political subdivision  
17 as if the money were from property tax collections.

18 SECTION 59. IC 6-1.1-21.8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
19 2005]: Sec. 4. (a) The board shall determine the terms of a loan made under this chapter. However,  
20 the interest charged on the loan may not exceed the percent of increase in the United States  
21 Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the  
22 most recent twelve (12) month period for which data is available as of the date that the unit applies  
23 for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or  
24 a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than ten (10) years after  
25 the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation  
26 or a public library (as defined in IC 20-14-1-2), a loan must be repaid not later than eleven (11) years  
27 after the date on which the loan was made. A school corporation or a public library (as defined in  
28 IC 20-14-1-2) is not required to begin making payments to repay a loan until after June 30, 2004. The  
29 total amount of all the loans made under this chapter may not exceed twenty-eight million dollars  
30 (\$28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than  
31 one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular  
32 time without the review of the budget committee and the approval of the budget agency.

33 (b) A loan made under this chapter shall be repaid only from:

34 (1) property tax revenues of the qualified taxing unit that are subject to the levy limitations  
35 imposed by IC 6-1.1-18.5 or IC 6-1.1-19; or

36 (2) in the case of a school corporation, the school corporation's debt service fund; or

37 ~~(2) (3)~~ (3) any other source of revenues (other than property taxes) that is legally available to the  
38 qualified taxing unit.

39 The payment of any installment of principal constitutes a first charge against the property tax revenues  
40 described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the  
41 installment is due and payable.

42 (c) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit  
43 to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

44 (d) Whenever the board receives a payment on a loan made under this chapter, the board shall  
45 deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

46 (e) This section does not prohibit a qualified taxing unit from repaying a loan made under this  
47 chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter  
48 resumes paying property taxes to the qualified taxing unit.



(f) Interest accrues on a loan made under this chapter until the date the board receives notice from the county auditor that the county has adopted at least one (1) of the following:

(1) The county adjusted gross income tax under IC 6-3.5-1.1.

(2) The county option income tax under IC 6-3.5-6.

(3) The county economic development income tax under IC 6-3.5-7.

Notwithstanding subsection (a), interest may not be charged on a loan made under this chapter if a tax described in this subsection is adopted before a qualified taxing unit applies for the loan.

SECTION 60. IC 6-1.1-30-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The commissioner ~~shall~~ **may** appoint an individual to serve as deputy commissioner of the department of local government finance. However, the appointment must be approved by the governor. ~~The~~ **A** deputy commissioner shall subscribe to an oath to faithfully discharge the duties assigned to the deputy commissioner either by law or by the commissioner.

SECTION 61. IC 6-1.1-34-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Each year in which a general assessment of real property becomes effective, the department of local government finance shall compute a new assessment ratio for each school corporation and a new state average assessment ratio. In all other years, the department ~~may~~ **shall** compute a new assessment ratio for a school corporation and a new state average assessment ratio if the department finds that there has been sufficient reassessment **or adjustment** of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 62. IC 6-3-1-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars (\$1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars (\$1,000).

(4) Subtract one thousand dollars (\$1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) one thousand five hundred dollars (\$1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code for taxable years beginning after December 31, 1996; and

(B) five hundred dollars (\$500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars (\$40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal



Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars (\$2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars (\$2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.



1       **(21) Add or subtract the amount necessary to make the adjusted gross income of any**  
2       **taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue**  
3       **Code) in service in the current taxable year or in an earlier taxable year equal to the amount**  
4       **of adjusted gross income that would have been computed had an election for federal income**  
5       **tax purposes not been made for the year in which the property was placed in service to take**  
6       **deductions under Section 179 of the Internal Revenue Code in a total amount exceeding**  
7       **twenty-five thousand dollars (\$25,000).**

8       **(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic**  
9       **production activities for the taxable year under Section 199 of the Internal Revenue Code**  
10      **for federal income tax purposes.**

11      (b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal  
12      Revenue Code) adjusted as follows:

13      (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes  
14      of the United States.

15      (2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section  
16      170 of the Internal Revenue Code.

17      (3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section  
18      63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state  
19      level by any state of the United States.

20      (4) Subtract an amount equal to the amount included in the corporation's taxable income under  
21      Section 78 of the Internal Revenue Code.

22      (5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that  
23      owns property for which bonus depreciation was allowed in the current taxable year or in an  
24      earlier taxable year equal to the amount of adjusted gross income that would have been computed  
25      had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue  
26      Code to apply bonus depreciation to the property in the year that it was placed in service.

27      (6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue  
28      Code.

29      **(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer**  
30      **that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code)**  
31      **in service in the current taxable year or in an earlier taxable year equal to the amount of**  
32      **adjusted gross income that would have been computed had an election for federal income**  
33      **tax purposes not been made for the year in which the property was placed in service to take**  
34      **deductions under Section 179 of the Internal Revenue Code in a total amount exceeding**  
35      **twenty-five thousand dollars (\$25,000).**

36      **(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic**  
37      **production activities for the taxable year under Section 199 of the Internal Revenue Code**  
38      **for federal income tax purposes.**

39      (c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue  
40      Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as  
41      defined in Section 801 of the Internal Revenue Code), adjusted as follows:

42      (1) Subtract income that is exempt from taxation under this article by the Constitution and statutes  
43      of the United States.

44      (2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal  
45      Revenue Code.

46      (3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c)  
47      of the Internal Revenue Code for taxes based on or measured by income and levied at the state  
48      level by any state.



(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

**(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).**

**(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.**

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

**(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).**

**(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.**





(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

**(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).**

**(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.**

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars (\$2,500).

STEP FIVE: Determine the sum of the STEP ~~THREE~~ **FOUR** amount and two thousand five hundred dollars (\$2,500).

SECTION 63. IC 6-3-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2003~~ **2005**.

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, ~~2003~~ **2005**, that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2003~~ **2005**, shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the



1 regulation.

2 (c) An amendment to the Internal Revenue Code made by an act passed by Congress before January  
3 1, ~~2003~~; **2005**, that is effective for any taxable year that began before January 1, ~~2003~~; **2005**, and that  
4 affects:

- 5 (1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);
- 6 (2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);
- 7 (3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);
- 8 (4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue  
9 Code);
- 10 (5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal  
11 Revenue Code); or
- 12 (6) taxable income (as defined in Section 832 of the Internal Revenue Code);

13 is also effective for that same taxable year for purposes of determining adjusted gross income under  
14 section 3.5 of this chapter.

15 SECTION 64. IC 6-3-1-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,  
16 2005 (RETROACTIVE)]: Sec. 33. As used in this article, "bonus depreciation" means an amount  
17 equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted  
18 gross income or federal taxable income that is attributable to the additional first-year special  
19 depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of  
20 the Internal Revenue Code, **including the special depreciation allowance for 50-percent bonus**  
21 **depreciation property.**

22 SECTION 65. IC 6-3.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
23 2005]: Sec. 1. As used in this chapter, the following terms have the following meanings:

24 (1) "Eligible teacher" means a teacher:

25 (A) certified in a shortage area by the ~~professional standards board~~ **department of education**  
26 established by ~~IC 20-1-1-4~~; **IC 20-19-3-1**; and

27 (B) employed under contract during the regular school term by a school corporation in a  
28 shortage area.

29 (2) "Qualified position" means a position that:

30 (A) is relevant to the teacher's ~~academic training~~ **education** in a shortage area; and

31 (B) has been approved by the Indiana state board of education under section 6 of this chapter.

32 (3) "Regular school term" means the period, other than the school summer recess, during which  
33 a teacher is required to perform duties assigned to ~~him~~ **the teacher** under a teaching contract.

34 (4) "School corporation" means any corporation authorized by law to establish public schools and  
35 levy taxes for their maintenance.

36 (5) "Shortage area" means the subject areas of mathematics and science and any other subject area  
37 designated as a shortage area by the Indiana state board of education.

38 (6) "State income tax liability" means a taxpayer's total income tax liability incurred under IC 6-3  
39 and IC 6-5.5, as computed after application of credits that under IC 6-3.1-1-2 are to be applied  
40 before the credit provided by this chapter.

41 SECTION 66. IC 6-3.1-21-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
42 2005]: Sec. 10. This chapter expires December 31, ~~2005~~; **2011**.

43 SECTION 67. IC 6-5.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY  
44 1, 2005 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted  
45 gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted  
46 as follows:

47 (1) Add the following amounts:

48 (A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or



Section 593 of the Internal Revenue Code.

(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

**(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars (\$25,000).**

**(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.**

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.

~~(E) Subtract~~ The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation.

**(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service**



1 in the current taxable year or in an earlier taxable year equal to the amount of adjusted  
2 gross income that would have been computed had an election for federal income tax  
3 purposes not been made for the year in which the property was placed in service to take  
4 deductions under Section 179 of the Internal Revenue Code in a total amount exceeding  
5 twenty-five thousand dollars (\$25,000).

6 (b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers  
7 to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under  
8 IC 28-7-1-24.

9 (c) In the case of an investment company, "adjusted gross income" means the company's federal  
10 taxable income multiplied by the quotient of:

11 (1) the aggregate of the gross payments collected by the company during the taxable year from old  
12 and new business upon investment contracts issued by the company and held by residents of  
13 Indiana; divided by

14 (2) the total amount of gross payments collected during the taxable year by the company from the  
15 business upon investment contracts issued by the company and held by persons residing within  
16 Indiana and elsewhere.

17 (d) As used in subsection (c), "investment company" means a person, copartnership, association,  
18 limited liability company, or corporation, whether domestic or foreign, that:

19 (1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and

20 (2) solicits or receives a payment to be made to itself and issues in exchange for the payment:

21 (A) a so-called bond;

22 (B) a share;

23 (C) a coupon;

24 (D) a certificate of membership;

25 (E) an agreement;

26 (F) a pretended agreement; or

27 (G) other evidences of obligation;

28 entitling the holder to anything of value at some future date, if the gross payments received by the  
29 company during the taxable year on outstanding investment contracts, plus interest and dividends  
30 earned on those contracts (by prorating the interest and dividends earned on investment contracts  
31 by the same proportion that certificate reserves (as defined by the Investment Company Act of  
32 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross  
33 payments upon investment contracts plus gross income from all other sources except dividends  
34 from subsidiaries for the taxable year. The term "investment contract" means an instrument listed  
35 in clauses (A) through (G).

36 SECTION 68. IC 6-5.5-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY  
37 1, 2005 (RETROACTIVE)]: Sec. 20. As used in this article, "bonus depreciation" means an amount  
38 equal to that part of any depreciation allowance allowed in computing the taxpayer's federal taxable  
39 income that is attributable to the additional first-year special depreciation allowance (bonus  
40 depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code,  
41 **including the special depreciation allowance for 50-percent bonus depreciation property.**

42 SECTION 69. IC 8-22-3.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
43 2005]: Sec. 9. (a) As used in this section, "base assessed value" means:

44 (1) the net assessed value of all the tangible property as finally determined for the assessment date  
45 immediately preceding the effective date of the allocation provision of the commission's resolution  
46 adopted under section 5 of this chapter, **notwithstanding the date of the final action taken**  
47 **under section 6 of this chapter;** plus

48 (2) to the extent it is not included in subdivision (1), the net assessed value of property that is



1 assessed as residential property under the rules of the department of local government finance, as  
2 finally determined for any assessment date after the effective date of the allocation provision.  
3 However, subdivision (2) applies only to an airport development zone established after June 30, 1997,  
4 and the portion of an airport development zone established before June 30, 1997, that is added to an  
5 existing airport development zone.

6 (b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section  
7 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect  
8 to the allocation and distribution of property taxes for the purposes and in the manner provided in this  
9 section.

10 (c) The allocation provision must:

11 (1) apply to the entire airport development zone; and

12 (2) require that any property tax on taxable tangible property subsequently levied by or for the  
13 benefit of any public body entitled to a distribution of property taxes in the airport development  
14 zone be allocated and distributed as provided in subsections (d) and (e).

15 (d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this  
16 section, the proceeds of the taxes attributable to the lesser of:

17 (1) the assessed value of the tangible property for the assessment date with respect to which the  
18 allocation and distribution is made; or

19 (2) the base assessed value;

20 shall be allocated and, when collected, paid into the funds of the respective taxing units.

21 (e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in  
22 excess of those described in subsection (d) shall be allocated to the eligible entity for the airport  
23 development zone and, when collected, paid into special funds as follows:

24 (1) The commission may determine that a portion of tax proceeds shall be allocated to a training  
25 grant fund to be expended by the commission without appropriation solely for the purpose of  
26 reimbursing training expenses incurred by public or private entities in the training of employees  
27 for the qualified airport development project.

28 ~~Except as provided in subsection (f), all remaining~~ **The commission may determine that a**  
29 **portion of** tax proceeds shall be allocated to a debt service fund and dedicated to the payment of  
30 principal and interest on revenue bonds of the airport authority for a qualified airport development  
31 project, ~~or to the payment of leases for a qualified airport development project, or to the payment~~  
32 **of principal and interest on bonds issued by an eligible entity to pay for qualified airport**  
33 **development projects in the airport development zone or serving the airport development**  
34 **zone.**

35 **(3) Except as provided in subsection (f), all remaining tax proceeds after allocations are**  
36 **made under subdivisions (1) and (2) shall be allocated to a project fund and dedicated to the**  
37 **reimbursement of expenditures made by the commission for a qualified airport development**  
38 **project that is in the airport development zone or is serving the airport development zone.**

39 (f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the  
40 ~~debt service project fund in subsection (e)(3)~~ exceed the amount necessary to

41 ~~(1) pay principal and interest on airport authority revenue bonds;~~

42 ~~(2) pay lease rentals on leases of a qualified airport development project; or~~

43 ~~(3) create, maintain, or restore a reserve for airport authority revenue bonds or for lease rentals or~~  
44 ~~leases of a qualified airport development project;~~

45 **satisfy amounts required under subsection (e), the excess in the project fund** over that amount  
46 shall be paid to the respective taxing units in the manner prescribed by subsection (d).

47 (g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund  
48 **and in the project fund** is sufficient to pay all outstanding principal and interest (to the earliest date



on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects, ~~and~~ all lease rentals payable on leases of qualified airport development projects, **and all costs and expenditures associated with all qualified airport development projects**, money in the debt service fund **and in the project fund** in excess of ~~that amount those amounts~~ shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the tangible property as valued without regard to this section; or

(2) the base assessed value.

SECTION 70. IC 8-23-7-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. If the department determines that real property owned in fee simple by the department will not be needed for a purpose described in section 2 of this chapter, the commissioner may, **with the approval of the budget agency**, issue an order describing the surplus property and offering the surplus property for sale at or above its fair market value as determined by appraisers of the department. The department may combine or divide parcels of surplus property to facilitate the sale of the property.

SECTION 71. IC 9-22-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) A person not described in section 12 of this chapter who sells an abandoned motor vehicle under this chapter may retain from the proceeds of sale the cost of publication of notice and the cost of preserving the motor vehicle during the period of the vehicle's abandonment. The person shall pay the remaining balance of the proceeds of the sale to the circuit court clerk of the county in which the abandoned motor vehicle is located.

(b) At any time within ten (10) years after the money is paid to the clerk, the person who owns the abandoned motor vehicle sold under this chapter may make a claim with the clerk for the sale proceeds deposited with the clerk. If ownership of the proceeds is established to the satisfaction of the clerk, the clerk shall pay the proceeds to the person who owns the abandoned motor vehicle.

(c) If a claim for the proceeds of the sale of an abandoned motor vehicle under subsection (b) is not made within ten (10) years, claims for the proceeds are barred. The clerk shall notify the attorney general and upon demand pay the proceeds to the attorney general. The attorney general shall turn the proceeds over to the treasurer of state. The proceeds vest in and escheat to the state ~~common school~~ **general fund. and shall be distributed as a part of the common school fund.**

SECTION 72. IC 9-27-4-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.5. (a) To receive an instructor's license under subsection (d), an individual must complete at least sixty (60) semester hours at a college. The individual must complete at least twelve (12) semester hours in driver education courses, of which three (3) semester hours must consist of supervised student teaching experience under the direction of an individual who has:

(1) a driver and traffic safety education endorsement issued by the ~~professional standards board~~ **department of education** established by ~~IC 20-1-1.4; IC 20-19-3-1; and~~



1 (2) at least five (5) years of teaching experience in driver education.

2 (b) The three (3) semester hours of supervised student teaching experience required under subsection

3 (a) may only be undertaken by an individual who will be at least twenty-one (21) years of age upon

4 completion and may only be performed at a high school, a commercial driving school, or the college

5 providing the courses for the individual to become an instructor. The remaining nine (9) hours of

6 driver education courses required under subsection (a) must include a combination of theoretical and

7 behind-the-wheel instruction that is consistent with nationally accepted standards in traffic safety.

8 (c) The driver education semester hours required under subsection (a) do not satisfy the requirements

9 of subsection (d) or (e) unless the driver education curriculum is approved by the commission for

10 higher education.

11 (d) The bureau shall issue an instructor's license to an individual who satisfies all of the following:

12 (1) The individual meets the requirements of subsection (a).

13 (2) The individual does not have more than the maximum number of points for violating traffic

14 laws specified by the bureau by rules adopted under IC 4-22-2.

15 (3) The individual has a good moral character, physical condition, knowledge of the rules of the

16 road, and work history. The bureau shall adopt rules under IC 4-22-2 that specify the requirements,

17 including requirements about criminal convictions, necessary to satisfy the conditions of this

18 subdivision.

19 (e) The bureau shall issue an instructor's license to an individual who:

20 (1) during 1995, held an instructor's license;

21 (2) meets the requirements of subsection (d)(2) and (d)(3); and

22 (3) completes the twelve (12) semester hours of driver education courses required under

23 subsection (a) not later than July 1, 1999.

24 However, an individual who has acted as an instructor for at least two (2) years before January 1,

25 1996, is not required to complete the requirements of subdivision (3) in order to receive an instructor's

26 license under this subsection.

27 (f) The bureau shall issue an instructor's license to an individual who:

28 (1) holds a driver and traffic safety education endorsement issued by the ~~professional standards~~

29 ~~board~~ **department of education** established under ~~IC 20-1-1.4;~~ **by IC 20-19-3-1;** and

30 (2) meets the requirements of subsection (d)(2) and (d)(3).

31 (g) Only an individual who holds an instructor's license issued by the bureau under subsection (d),

32 (e), or (f) may act as an instructor.

33 SECTION 73. IC 9-29-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1,

34 2004 (RETROACTIVE)]: Sec. 4. (a) The service charge for each of the first twelve thousand (12,000)

35 vehicle registrations at a license branch each year is one dollar and seventy-five cents (\$1.75).

36 (b) The service charge for each of the next thirty-eight thousand (38,000) vehicle registrations at that

37 license branch each year is one dollar and fifty cents (\$1.50).

38 (c) The service charge for each additional vehicle registration at that license branch each year is one

39 dollar and twenty-five cents (\$1.25).

40 (d) Fifty cents (\$0.50) of each service charge collected under this section ~~during 2002 and 2003~~ shall

41 be deposited in the state motor vehicle technology fund established by IC 9-29-16-1.

42 SECTION 74. IC 10-13-3-38.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

43 2005]: Sec. 38.5. (a) Under federal P.L.92-544 (86 Stat. 1115), the department may use an individual's

44 fingerprints submitted by the individual for the following purposes:

45 (1) Determining the individual's suitability for employment with the state, or as an employee of

46 a contractor of the state, in a position:

47 (A) that has a job description that includes contact with, care of, or supervision over a person

48 less than eighteen (18) years of age;



(B) that has a job description that includes contact with, care of, or supervision over an endangered adult (as defined in IC 12-10-3-2), except the individual is not required to meet the standard for harmed or threatened with harm set forth in IC 12-10-3-2(a)(3);

(C) at a state institution managed by the office of the secretary of family and social services or state department of health;

(D) at the Indiana School for the Deaf established by IC 20-16-2-1;

(E) at the Indiana School for the Blind established by IC 20-15-2-1;

(F) at a juvenile detention facility;

(G) with the **Indiana** gaming commission under IC 4-33-3-16;

(H) with the department of financial institutions under IC 28-11-2-3; or

(I) that has a job description that includes access to or supervision over state financial or personnel data, including state warrants, banking codes, or payroll information pertaining to state employees.

(2) Identification in a request related to an application for a teacher's license submitted to the ~~professional standards board~~ **department of education** established ~~under IC 20-1-1.4~~ **by IC 20-19-3-1**.

An applicant shall submit the fingerprints in an appropriate format or on forms provided for the employment or license application. The department shall charge each applicant the fee established under section 28 of this chapter and by federal authorities to defray the costs associated with a search for and classification of the applicant's fingerprints. The department may forward fingerprints submitted by an applicant to the Federal Bureau of Investigation or any other agency for processing. The state personnel department or the agency to which the applicant is applying for employment or a license may receive the results of all fingerprint investigations.

(b) An applicant who is an employee of the state may not be charged under subsection (a).

(c) Subsection (a)(1) does not apply to an employee of a contractor of the state if the contract involves the construction or repair of a capital project or other public works project of the state.

SECTION 75. IC 11-10-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A county that commits an offender to the department shall pay to the state treasurer, under IC 4-24-7-4, ~~one-half (1/2) of the daily cost of sixty dollars (\$60) for each day for~~ keeping the offender. ~~in the facility or program to which he is assigned. That cost is determined by dividing the average daily population of that facility or program into the previous fiscal year's operating expense of that facility or program and dividing the quotient by the number of days in the previous fiscal year.~~

(b) A county is not liable for services provided an offender under section 6 of this chapter or for the cost of keeping the offender while those services are being provided.

SECTION 76. IC 11-10-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The **advisory board of the division of professional standards** ~~board of the department of education~~ established by IC 20-1-1.4 shall, in accord with IC 20-6.1-3, adopt rules under IC 4-22-2 for the licensing of teachers to be employed by the department.

SECTION 77. IC 11-10-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. Limited certificates valid for one (1) year may be granted, upon the request of the commissioner, according to rules of the **advisory board of the division of professional standards** ~~board of the department of education~~ established by IC 20-1-1.4. Modification of these rules may be made by the **advisory board of the division of professional standards** ~~board of the department of education established by IC 20-1-1.4~~ in a way reasonably calculated to make available an adequate supply of qualified teachers. A limited certificate may be issued in cases where special **training education** and qualifications warrant the waiver of part of the prerequisite professional **training education** required for certification to teach in the public schools. The limited certificate, however, may be issued only to applicants who have graduated from an accredited college or





1 university. Teachers of vocational education need not be graduates of an accredited college or  
2 university but shall meet requirements for conditional vocational certificates as determined by the  
3 ~~professional standards board; department of education.~~

4 SECTION 78. IC 12-7-2-40.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
5 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 40.2. "Community spouse", for purposes**  
6 **of IC 12-15-2, means an individual who:**

7 (1) **is the spouse of an individual who resides in a nursing facility or another medical**  
8 **institution; and**

9 (2) **does not reside in a nursing facility or another medical institution.**

10 SECTION 79. IC 12-10-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
11 2005]: Sec. 4. (a) As used in this chapter, "eligible individual" means an individual who:

12 (1) is a resident of Indiana;

13 (2) is:

14 (A) at least sixty (60) years of age; or

15 (B) disabled; ~~and~~

16 (3) **has assets that do not exceed five hundred thousand dollars (\$500,000), as determined by**  
17 **the division;**

18 ~~(3)~~ (4) **qualifies under criteria developed by the board as having an impairment that places the**  
19 **individual at risk of losing the individual's independence, as described in subsection (b); and**

20 (5) **except as provided in subsection (c), is first determined to be ineligible for the state**  
21 **Medicaid program (IC 12-15).**

22 (b) For purposes of subsection (a), an individual is at risk of losing the individual's independence  
23 if the individual is unable to perform ~~two (2)~~ **three (3)** or more activities of daily living. The use by  
24 or on behalf of the individual of any of the following services or devices does not make the individual  
25 ineligible for services under this chapter:

26 (1) Skilled nursing assistance.

27 (2) Supervised community and home care services, including skilled nursing supervision.

28 (3) Adaptive medical equipment and devices.

29 (4) Adaptive nonmedical equipment and devices.

30 (c) **An area agency on aging may determine that an individual is presumptively ineligible for**  
31 **Medicaid and eligible for the program under this chapter and begin to provide services.**  
32 **However, the individual shall apply for the Medicaid program regardless of the presumptive**  
33 **eligibility determination by the area agency on aging. If the individual is later determined to be**  
34 **eligible for Medicaid, the individual is no longer eligible for the program and shall be**  
35 **transferred to the Medicaid program.**

36 (d) **An individual who is unable to perform two (2) activities of daily living and who:**

37 (1) **does not meet the requirements of subsection (a)(4) through (a)(5);**

38 (2) **meets the requirements of subsection (a)(1) through (a)(3); and**

39 (3) **has a condition that:**

40 (A) **is expected by the individual's treating physician to last not more than six (6) months;**  
41 **and**

42 (B) **causes the individual to need assistance;**

43 **may receive services under the program for a period, not to exceed six (6) consecutive months,**  
44 **during which the individual has the condition and is unable to perform the activities described**  
45 **in subdivision (3).**

46 SECTION 80. IC 12-10-10-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
47 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. The office of the secretary shall**  
48 **establish reimbursement rates for services provided under this chapter.**



1 SECTION 81. IC 12-13-14.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
2 2005]: Sec. 3. One (1) time every ~~six (6)~~ **three (3)** months, the division shall submit a report to the  
3 **legislative council and** budget committee ~~and to the general assembly~~ that provides data and statistical  
4 information regarding caseloads for each county for child protection caseworkers, child welfare  
5 caseworkers and other caseworkers under the jurisdiction of the division of family and children,  
6 department of family and social services during the preceding ~~six (6)~~ **three (3)** months. A report  
7 submitted under this section ~~to the general assembly~~ must be in an electronic format under IC 5-14-6.

8 SECTION 82. IC 12-13-14.5-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
9 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 3.5. (a) This section applies after June**  
10 **30, 2008.**

11 **(b) A child protection caseworker or a child welfare caseworker may not be assigned work**  
12 **that exceeds the following maximum caseload levels at any time:**

13 **(1) For caseworkers assigned only initial assessments, including investigations of an**  
14 **allegation of child abuse or neglect, twelve (12) active cases per month per caseworker.**

15 **(2) For caseworkers assigned only ongoing cases, seventeen (17) active children per**  
16 **caseworker.**

17 **(3) For caseworkers assigned a combination of initial assessments and ongoing cases under**  
18 **subdivisions (1) and (2), four (4) investigations and ten (10) active ongoing cases per**  
19 **caseworker.**

20 **(c) The local child protection service shall comply with the maximum caseload ratios described**  
21 **in subsection (b).**

22 SECTION 83. IC 12-15-2-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
23 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 24. (a) This section applies to**  
24 **determining eligibility for an individual who:**

25 **(1) resides in a nursing facility or another medical institution; and**

26 **(2) has a community spouse.**

27 **(b) In determining eligibility for an individual described in subsection (a), the office shall,**  
28 **beginning in calendar year 2006, use the greater of the following community spouse resource**  
29 **allowance:**

30 **(1) Nineteen thousand twenty dollars (\$19,020), subject to an adjustment described in 42**  
31 **U.S.C. 1396r-5(g).**

32 **(2) The lesser of:**

33 **(A) the spousal share computed under 42 U.S.C. 1396r-5(c)(1); or**

34 **(B) ninety-five thousand one hundred dollars (\$95,100), subject to an adjustment described**  
35 **in 42 U.S.C. 1396r-5g.**

36 **(3) An amount established by a court order or an administrative hearing if the community**  
37 **spouse's income is less than the minimum monthly needs allowance established under 42**  
38 **U.S.C. 1396r-5(d)(3) and an increased amount is necessary to increase the community**  
39 **spouse's income to the minimum monthly needs allowance.**

40 **(c) An institutionalized spouse shall not be ineligible for the program because of resources if:**

41 **(1) the institutionalized spouse:**

42 **(A) establishes that the individual has a right to receive support from the community**  
43 **spouse; and**

44 **(B) assigns to the office the right to receive support from the community spouse; or**

45 **(2) the office determines that the denial of eligibility would result in an undue hardship to**  
46 **the institutionalized spouse.**

47 **(d) The office shall adopt rules under IC 4-22-2 to calculate the amount of resources necessary**  
48 **to provide income to the community spouse under subsection (b).**



1 SECTION 84. IC 12-15-2-25 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
2 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 25. (a) This section applies to an**  
3 **individual who:**

- 4 (1) **is eligible for Medicaid;**
- 5 (2) **resides in a nursing facility or another medical institution; and**
- 6 (3) **has a community spouse.**

7 (b) **An individual described in subsection (a) is entitled to retain an income allowance for the**  
8 **purpose of supporting a community spouse if:**

- 9 (1) **the community spouse's income is less than the minimum monthly needs allowance**  
10 **established under 42 U.S.C. 1396r-5(d)(3); and**
- 11 (2) **an increased amount is necessary to increase the community spouse's income to the**  
12 **minimum monthly needs allowance.**

13 (c) **If either spouse establishes that a higher allowance is needed due to exceptional**  
14 **circumstances resulting in significant financial duress, the minimum monthly needs allowance**  
15 **may be increased after an administrative hearing or by a court order.**

16 (d) **The office shall adopt rules under IC 4-22-2 setting forth the manner in which the office**  
17 **will determine the existence of exceptional circumstances resulting in significant financial duress**  
18 **under subsection (c).**

19 SECTION 85. IC 12-15-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
20 2005]: Sec. 1. (a) Except as provided in ~~subsection~~ **subsections (b) and (c)**, an applicant for or  
21 recipient of Medicaid is ineligible for assistance if the total cash value of money, stock, bonds, and  
22 life insurance owned by:

- 23 (1) **the applicant or recipient is more than one thousand five hundred dollars (\$1,500) for**  
24 **assistance to the aged, blind, or disabled; or**
- 25 (2) **the applicant or recipient and the applicant's or recipient's spouse is more than two thousand**  
26 **two hundred fifty dollars (\$2,250) for medical assistance to the aged, blind, or disabled.**

27 (b) **In the case of an applicant who is an eligible individual, a Holocaust victim's settlement payment**  
28 **received by the applicant or the applicant's spouse may not be considered when calculating the total**  
29 **cash value of money, stock, bonds, and life insurance owned by the applicant or the applicant's spouse.**

30 (c) **In the case of an individual who:**

- 31 (1) **resides in a nursing facility or other medical institution; and**
- 32 (2) **has a spouse who does not reside in a nursing facility or other medical institution;**

33 **the total cash value of money, stock, bonds, and life insurance that may be owned by the couple**  
34 **to be eligible for the program is determined under IC 12-15-2-24.**

35 SECTION 86. IC 12-15-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
36 2005]: Sec. 1. Except as provided in IC 12-15-2-12, IC 12-15-6, and IC 12-15-21, the following  
37 services and supplies are provided under Medicaid:

- 38 (1) **Inpatient hospital services.**
- 39 (2) **Nursing facility services.**
- 40 (3) **Physician's services, including services provided under ~~IC 25-10-1~~ and IC 25-22.5-1.**
- 41 (4) **Outpatient hospital or clinic services.**
- 42 (5) **Home health care services.**
- 43 (6) **Private duty nursing services.**
- 44 (7) **Physical therapy and related services.**
- 45 (8) **Dental services.**
- 46 (9) **Prescribed laboratory and x-ray services.**
- 47 (10) **Prescribed drugs and services.**
- 48 (11) **Eyeglasses and prosthetic devices.**



- (12) Optometric services.
- (13) Diagnostic, screening, preventive, and rehabilitative services.
- (14) Podiatric medicine services.
- (15) Hospice services.
- (16) Services or supplies recognized under Indiana law and specified under rules adopted by the office.
- (17) Family planning services except the performance of abortions.
- (18) Nonmedical nursing care given in accordance with the tenets and practices of a recognized church or religious denomination to an individual qualified for Medicaid who depends upon healing by prayer and spiritual means alone in accordance with the tenets and practices of the individual's church or religious denomination.
- (19) Services provided to individuals described in IC 12-15-2-8 and IC 12-15-2-9.
- (20) Services provided under IC 12-15-34 and IC 12-15-32.
- (21) Case management services provided to individuals described in IC 12-15-2-11 and IC 12-15-2-13.
- (22) Any other type of remedial care recognized under Indiana law and specified by the United States Secretary of Health and Human Services.
- (23) Examinations required under IC 16-41-17-2(a)(10).
- (24) Chiropractic services under IC 25-10-1 for a recipient who is at least twelve (12) years of age.**

SECTION 87. IC 12-15-5-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 8. (a) As used in this section, "maintenance drug" means a medication that is dispensed under a single prescription for a period of not less than one hundred eighty (180) days, excluding authorized refills, for the ongoing treatment of a chronic medical condition or disease or congenital condition or disorder.**

**(b) The office may designate:**

- (1) a mail order pharmacy;**
- (2) an Internet based pharmacy (as defined in IC 25-26-18-1);**
- (3) a pharmacy that agrees to sell a maintenance drug at the same price as a mail order or an Internet based pharmacy; or**
- (4) all the pharmacies listed in subdivisions (1) through (3);**
- through which a recipient may obtain a maintenance drug.**

**(c) If the office makes a designation under subsection (b), a managed care organization that has a contract with the office under IC 12-15-12 is not required to use a pharmacy that is designated under subsection (b).**

**(d) If a Medicaid recipient's physician prescribes a maintenance prescription drug, the Medicaid recipient may purchase the maintenance prescription drug from a pharmacy that is designated under subsection (b).**

**(e) The office shall apply to amend the state Medicaid plan if the office determines that an amendment is necessary to carry out this section.**

SECTION 88. IC 12-15-8.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. (a) This section applies:**

- (1) after the death of a Medicaid recipient whose property; or**
- (2) upon the sale of property that;**
- is subject to a lien under this chapter.**

**(a) (b) A lien under this chapter is void if both of the following occur:**

- (1) The owner of property subject to a lien under this chapter or any person or corporation having an interest in the property, including a mortgagee or a lienholder, provides written notice to the**



1 office to file an action to foreclose the lien.

2 (2) The office fails to file an action to foreclose the lien in the county where the property is located

3 not later than ~~thirty (30)~~ **sixty (60)** days after receiving the notice.

4 However, this section does not prevent the claim from being collected as other claims are collected

5 by law.

6 ~~(b)~~ **(c)** A person who gives notice under subsection ~~(a)(1)~~ **(b)(1)** by registered or certified mail to

7 the office at the address given in the recorded statement and notice of intention to hold a lien may file

8 an affidavit of service of the notice to file an action to foreclose the lien with the recorder of the

9 county in which the property is located. The affidavit must state the following:

10 (1) The facts of the notice.

11 (2) That more than ~~thirty (30)~~ **sixty (60)** days have passed since the notice was received by the

12 office.

13 (3) That no action for foreclosure of the lien is pending.

14 (4) That no unsatisfied judgment has been rendered on the lien.

15 ~~(c)~~ **(d)** The recorder shall:

16 (1) record the affidavit of service in the miscellaneous record book of the recorder's office; and

17 (2) certify on the face of the record any lien that is fully released.

18 When the recorder records the affidavit and certifies the record under this subsection, the real estate

19 described in the lien is released from the lien.

20 SECTION 89. IC 12-15-9-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

21 2005]: Sec. 0.5. (a) As used in this chapter, "estate" includes:

22 (1) all real and personal property and other assets included within an individual's probate estate;

23 (2) any interest in real property owned by the individual at the time of death that was conveyed

24 to the individual's survivor through joint tenancy with right of survivorship, if the joint tenancy

25 was created after June 30, 2002; ~~and~~

26 (3) any real or personal property conveyed through a nonprobate transfer; **and**

27 **(4) any sum due after June 30, 2005, to a person after the death of a Medicaid recipient that**

28 **is under the terms of an annuity contract purchased at any time with the assets of:**

29 **(A) the Medicaid recipient; or**

30 **(B) the Medicaid recipient's spouse.**

31 (b) As used in this chapter, "nonprobate transfer" means a valid transfer, effective at death, by a

32 transferor:

33 (1) whose last domicile was in Indiana; and

34 (2) who immediately before death had the power, acting alone, to prevent transfer of the property

35 by revocation or withdrawal and:

36 (A) use the property for the benefit of the transferor; or

37 (B) apply the property to discharge claims against the transferor's probate estate.

38 The term does not include transfer of a survivorship interest in a tenancy by the entireties real estate

39 or payment of the death proceeds of a life insurance policy.

40 SECTION 90. IC 12-15-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,

41 2005]: Sec. 1. Upon the death of a Medicaid recipient **or upon the death of a deceased Medicaid**

42 **recipient's spouse**, the total amount of Medicaid paid on behalf of the recipient after the recipient

43 became fifty-five (55) years of age must be allowed as a preferred claim against the estate of the

44 recipient **or the recipient's spouse** in favor of the state. The affidavit of a person designated by the

45 secretary to administer this section is evidence of the amount of the claim and is payable after the

46 payment of the following in accordance with IC 29-1-14-9:

47 (1) Funeral expenses for the recipient and the recipient's spouse, not to exceed in each individual

48 case three hundred fifty dollars (\$350).



(2) The expenses of the last illness of the recipient and the recipient's spouse that are authorized or paid by the office.

(3) The expenses of administering the estate, including the attorney's fees approved by the court.

SECTION 91. IC 12-15-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. ~~(a)~~ The office may not recover on a claim filed against the estate of a surviving spouse while the individual is survived by a child who is:

(1) less than twenty-one (21) years of age; or

(2) permanently and totally disabled under criteria established by the federal Supplemental Security Income program.

~~(b) A claim against the estate of a surviving spouse for medical assistance paid on behalf of the predeceased spouse is limited to the value of the assets included in the predeceased spouse's probate estate.~~

SECTION 92. IC 12-15-9-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 7. A person receiving beneficiary payments from an annuity contract of a deceased Medicaid recipient is liable to the state for reimbursement of Medicaid benefits:**

**(1) paid to; or**

**(2) on behalf of;**

**the deceased Medicaid recipient to the extent of any payments that are received by the person under the annuity contract.**

SECTION 93. IC 12-17-2-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 34. (a) When the Title IV-D agency finds that an obligor is delinquent and can demonstrate that all previous enforcement actions have been unsuccessful, the Title IV-D agency shall send, to a verified address, a notice to the obligor that ~~includes~~ **does** the following:

(1) Specifies that the obligor is delinquent.

(2) Describes the amount of child support that the obligor is in arrears.

(3) States that unless the obligor:

(A) pays the obligor's child support arrearage in full;

(B) requests the activation of an income withholding order under IC 31-16-15-2 and establishes a payment plan with the Title IV-D agency to pay the arrearage; or

(C) requests a hearing under section 35 of this chapter;

within twenty (20) days after the date the notice is mailed, the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent and that the obligor's driving privileges shall be suspended.

(4) Explains that the obligor has twenty (20) days after the notice is mailed to do one (1) of the following:

(A) Pay the obligor's child support arrearage in full.

(B) Request the activation of an income withholding order under IC 31-16-15-2 and establish a payment plan with the Title IV-D agency to pay the arrearage.

(C) Request a hearing under section 35 of this chapter.

(5) Explains that if the obligor has not satisfied any of the requirements of subdivision (4) within twenty (20) days after the notice is mailed, that the Title IV-D agency shall issue a notice to:

(A) the board **or department** that regulates the obligor's profession or occupation, if any, that the obligor is delinquent and that the obligor may be subject to sanctions under IC 25-1-1.2, including suspension or revocation of the obligor's professional or occupational license;

(B) the supreme court disciplinary commission if the obligor is licensed to practice law;

(C) the ~~professional standards board~~ **as department of education** established by ~~IC 20-1-1.4~~ **IC 20-19-3-1** if the obligor is a licensed teacher;



1 (D) the Indiana horse racing commission if the obligor holds or applies for a license issued  
 2 under IC 4-31-6;  
 3 (E) the Indiana gaming commission if the obligor holds or applies for a license issued under  
 4 IC 4-33;  
 5 (F) the commissioner of the department of insurance if the obligor holds or is an applicant for  
 6 a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3; or  
 7 (G) the director of the department of natural resources if the obligor holds or is an applicant for  
 8 a license issued by the department of natural resources under the following:  
 9 (i) IC 14-22-12 (fishing, hunting, and trapping licenses).  
 10 (ii) IC 14-22-14 (Lake Michigan commercial fishing license).  
 11 (iii) IC 14-22-16 (bait dealer's license).  
 12 (iv) IC 14-22-17 (mussel license).  
 13 (v) IC 14-22-19 (fur buyer's license).  
 14 (vi) IC 14-24-7 (nursery dealer's license).  
 15 (vii) IC 14-31-3 (ginseng dealer's license).  
 16 (6) Explains that the only basis for contesting the issuance of an order under subdivision (3) or (5)  
 17 is a mistake of fact.  
 18 (7) Explains that an obligor may contest the Title IV-D agency's determination to issue an order  
 19 under subdivision (3) or (5) by making written application to the Title IV-D agency within twenty  
 20 (20) days after the date the notice is mailed.  
 21 (8) Explains the procedures to:  
 22 (A) pay the obligor's child support arrearage in full;  
 23 (B) establish a payment plan with the Title IV-D agency to pay the arrearage; and  
 24 (C) request the activation of an income withholding order under IC 31-16-15-2.  
 25 (b) Whenever the Title IV-D agency finds that an obligor is delinquent and has failed to:  
 26 (1) pay the obligor's child support arrearage in full;  
 27 (2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the  
 28 activation of an income withholding order under IC 31-16-15-2; or  
 29 (3) request a hearing under section 35 of this chapter within twenty (20) days after the date the  
 30 notice described in subsection (a) is mailed;  
 31 the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is  
 32 delinquent.  
 33 (c) An order issued under subsection (b) must require the following:  
 34 (1) If the obligor who is the subject of the order holds a driving license or permit on the date the  
 35 order is issued, that the driving privileges of the obligor be suspended until further order of the  
 36 Title IV-D agency.  
 37 (2) If the obligor who is the subject of the order does not hold a driving license or permit on the  
 38 date the order is issued, that the bureau of motor vehicles may not issue a driving license or permit  
 39 to the obligor until the bureau of motor vehicles receives a further order from the Title IV-D  
 40 agency.  
 41 (d) The Title IV-D agency shall provide the:  
 42 (1) full name;  
 43 (2) date of birth;  
 44 (3) verified address; and  
 45 (4) Social Security number or driving license number;  
 46 of the obligor to the bureau of motor vehicles.  
 47 (e) When the Title IV-D agency finds that an obligor who is an applicant (as defined in  
 48 IC 25-1-1.2-1) or a practitioner (as defined in IC 25-1-1.2-6) is delinquent and the applicant or



1 practitioner has failed to:

2 (1) pay the obligor's child support arrearage in full;

3 (2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the  
4 activation of an income withholding order under IC 31-16-15; or

5 (3) request a hearing under section 35 of this chapter;

6 the Title IV-D agency shall issue an order to the board regulating the practice of the obligor's  
7 profession or occupation stating that the obligor is delinquent.

8 (f) An order issued under subsection (e) must direct the board **or department** regulating the  
9 obligor's profession or occupation to impose the appropriate sanctions described under IC 25-1-1.2.

10 (g) When the Title IV-D agency finds that an obligor who is an attorney or a licensed teacher is  
11 delinquent and the attorney or licensed teacher has failed to:

12 (1) pay the obligor's child support arrearage in full;

13 (2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the  
14 activation of an income withholding order under IC 31-16-15-2; or

15 (3) request a hearing under section 35 of this chapter;

16 the Title IV-D agency shall notify the supreme court disciplinary commission if the obligor is an  
17 attorney, or the ~~professional standards board~~ **department of education** if the obligor is a licensed  
18 teacher, that the obligor is delinquent.

19 (h) When the Title IV-D agency finds that an obligor who holds a license issued under IC 4-31-6 or  
20 IC 4-33 has failed to:

21 (1) pay the obligor's child support arrearage in full;

22 (2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the  
23 activation of an income withholding order under IC 31-16-15-2; or

24 (3) request a hearing under section 35 of this chapter;

25 the Title IV-D agency shall issue an order to the Indiana horse racing commission if the obligor holds  
26 a license issued under IC 4-31-6, or to the Indiana gaming commission if the obligor holds a license  
27 issued under IC 4-33, stating that the obligor is delinquent and directing the commission to impose the  
28 appropriate sanctions described in IC 4-31-6-11 or IC 4-33-8.5-3.

29 (i) When the Title IV-D agency finds that an obligor who holds a license issued under IC 27-1-15.6,  
30 IC 27-1-15.8, or IC 27-10-3 has failed to:

31 (1) pay the obligor's child support arrearage in full;

32 (2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the  
33 activation of an income withholding order under IC 31-16-15-2; or

34 (3) request a hearing under section 35 of this chapter;

35 the Title IV-D agency shall issue an order to the commissioner of the department of insurance stating  
36 that the obligor is delinquent and directing the commissioner to impose the appropriate sanctions  
37 described in IC 27-1-15.6-29 or IC 27-10-3-20.

38 (j) When the Title IV-D agency finds that an obligor who holds a license issued by the department  
39 of natural resources under IC 14-22-12, IC 14-22-14, IC 14-22-16, IC 14-22-17, IC 14-22-19,  
40 IC 14-24-7, or IC 14-31-3 has failed to:

41 (1) pay the obligor's child support arrearage in full;

42 (2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the  
43 activation of an income withholding order under IC 31-16-15-2; or

44 (3) request a hearing under section 35 of this chapter;

45 the Title IV-D agency shall issue an order to the director of the department of natural resources stating  
46 that the obligor is delinquent and directing the director to suspend or revoke a license issued to the  
47 obligor by the department of natural resources as provided in IC 14-11-3.

48 SECTION 94. IC 12-17-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,





2005]: Sec. 3. (a) As used in this chapter, "early intervention services" means developmental services that meet the following conditions:

(1) Are provided under public supervision.

~~(2) Are provided at no cost, except where federal or state law allows for a system of payments by families, which may include a sliding scale of fees.~~

**(2) Have the state as the payor of last resort.**

(3) Are designed to meet the developmental needs of infants and toddlers with disabilities in at least one (1) of the areas specified in section 4(a)(1) of this chapter.

(4) Meet all required state and federal standards.

(5) Are provided by qualified personnel, including the following:

(A) Early childhood special educators, early childhood educators, and special educators.

(B) Speech and language pathologists and audiologists.

(C) Occupational therapists.

(D) Physical therapists.

(E) Psychologists.

(F) Social workers.

(G) Nurses.

(H) Nutritionists.

(I) Family therapists.

(J) Orientation and mobility specialists.

(K) Pediatricians and other physicians.

(6) To the maximum extent appropriate, are provided in natural environments, including the home and community settings in which children without disabilities participate.

(7) Are provided in conformity with an individualized family service plan adopted in accordance with 20 U.S.C. 1435.

(b) The term includes the following services:

(1) Family training, counseling, and home visits.

(2) Special instruction.

(3) Speech and language pathology and audiology.

(4) Occupational therapy.

(5) Physical therapy.

(6) Psychological services.

(7) Service coordination services.

(8) Medical services only for diagnostic, evaluation, or consultation purposes.

(9) Early identification, screening, and assessment services.

(10) Other health services necessary for the infant or toddler to benefit from the services.

(11) Vision services.

(12) Supportive technology services.

(13) Transportation and related costs that are necessary to enable an infant or a toddler and the infant or toddler's family to receive early intervention services.

SECTION 95. IC 12-17-15-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Upon the recommendations of the council, the division shall adopt rules under IC 4-22-2 providing for a statewide system of coordinated, comprehensive, multidisciplinary, interagency programs that provide appropriate early intervention services to all infants and toddlers with disabilities and their families to the extent required under 20 U.S.C. 1431 through 1445.

(b) Rules adopted under this section must, to the extent allowed by federal law, include a cost participation plan for charges and fees imposed for programs and services described in subsection (a).

(c) A cost participation plan adopted under this section must provide for cost participation **per**



1 **family** according to the following schedule:

2	Percentage of		Copayment	Maximum
3	Federal Income		Per	Monthly
4	Poverty Level		Treatment	Cost Share
5	At	But Not		
6	Least	More Than		
7	0%	350%	\$ 0	\$ 0
8	351%	450%	\$ 5	\$ 25
9	451%	550%	\$ 10	\$ 50
10	551%	650%	\$ 15	\$ 75
11	651%	750%	\$ 20	\$ 100
12	751%	850%	\$ 25	\$ 125
13	851%	1000%	\$ 30	\$ 150
14	1001%		\$ 36	\$ 180
15	0%	250%	\$ 0	\$ 0
16	251%	350%	\$ 3	\$ 24
17	351%	450%	\$ 6	\$ 48
18	451%	550%	\$ 15	\$ 120
19	551%	650%	\$ 25	\$ 200
20	651%	750%	\$ 50	\$ 400
21	751%	850%	\$ 75	\$ 600
22	851%	1000%	\$ 100	\$ 800
23	1001%		\$ 120	\$ 960

24 The schedule of cost participation required under this subsection expires July 1, 2005.

25 (d) In addition to the schedule of cost participation required under subsection (c), a cost  
26 participation plan adopted under this section:

27 (1) must:

28 (A) be based on income and ability to pay;

29 (B) provide for a review of a family's cost participation amount:

30 (i) annually; and

31 (ii) within thirty (30) days after the family reports a reduction in income; and

32 (C) allow the division to waive a required copayment if

33 (i) other medical expenses or personal care needs expenses for any member of the family  
34 reduce the level of income the family has available to pay copayments under this section;

35 or

36 (ii) the program receives payment from the family's health care coverage; and

37 (2) may allow a family to voluntarily contribute payments that exceed the family's required cost  
38 participation amount. and

39 (3) must provide that the division may not receive more than three thousand five hundred dollars  
40 (\$3,500) per eligible child per year from a family's health care coverage.

41 (e) Funds received under a cost participation plan adopted under this section must be used to fund  
42 programs described in subsection (a).

43 (f) The budget agency shall annually report to the health finance commission and the budget  
44 committee the following information concerning the funding of the program under this chapter:

45 (1) The total amount billed to a federal or state program each state fiscal year for services  
46 provided under this chapter, including the following programs:

47 (A) Medicaid.

48 (B) The children's health insurance program.



1 (C) The federal Temporary Assistance to Needy Families (TANF) program (45 CFR  
2 265).

3 (D) Any other state or federal program.

4 (2) The total amount billed each state fiscal year to an insurance company for services  
5 provided under this chapter and the total amount reimbursed by the insurance company.

6 (3) The total copayments collected under this chapter each state fiscal year.

7 (4) The total administrative expenditures.

8 The report must be submitted before September 1 for the preceding state fiscal year in an  
9 electronic format under IC 5-14-6.

10 SECTION 96. IC 14-10-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
11 PASSAGE]: Sec. 1. The commission may do the following:

12 (1) Take the action that is necessary to enable the state to participate in the programs set forth in  
13 16 U.S.C. 470 et seq.

14 (2) Promulgate and maintain a state register of districts, sites, buildings, structures, and objects  
15 significant in American or Indiana history, architecture, archeology, and culture and expend  
16 money for the purpose of preparing comprehensive statewide historic surveys and plans, in  
17 accordance with criteria established by the commission, that comply with the standards and  
18 regulations promulgated by the United States Secretary of the Interior for the preservation,  
19 acquisition, and development of the properties.

20 (3) Establish in accordance with criteria established by the United States Secretary of the Interior  
21 a program of matching grants-in-aid to public agencies for projects having as their purpose the  
22 preservation for public benefit of properties that are significant in American or Indiana history,  
23 architecture, archeology, and culture.

24 (4) Accept grants from public and private sources, including those provided under 16 U.S.C. 470  
25 et seq.

26 (5) Adopt rules, under IC 4-22-2, to establish fees that may be different than the fees  
27 otherwise established by this title for the following:

28 (A) Programs of the department or the commission.

29 (B) Facilities owned or operated by the department or the commission or a lessee of the  
30 department or commission.

31 (C) Licenses issued by the commission, the department, or the director.

32 (D) Inspections or other similar services under this title performed by the department  
33 or an assistant or employee of the department.

34 SECTION 97. IC 14-11-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
35 PASSAGE]: Sec. 1. (a) The department may adopt rules under IC 4-22-2 for the conduct of the  
36 following:

37 (1) Department meetings.

38 (2) Upon the recommendation of the director, the work of the department and the divisions.

39 (b) The department may not adopt rules under IC 4-22-2 for the establishment of fees for the  
40 following:

41 (1) Programs of the department or the commission.

42 (2) Facilities owned or operated by the department or the commission or a lessee of the  
43 department or commission.

44 (3) Licenses issued by the commission, the department, or the director.

45 (4) Inspections or other similar services under this title performed by the department or  
46 an assistant or employee of the department.

47 SECTION 98. IC 14-16-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
48 PASSAGE]: Sec. 14. (a) The owner of a vehicle required to be registered under this chapter shall



1 notify the department within fifteen (15) days if any of the following conditions exist:

2 (1) The vehicle is destroyed or abandoned.

3 (2) The vehicle is sold or an interest in the vehicle is transferred wholly or in part to another  
4 person.

5 (3) The owner's address no longer conforms to the address appearing on the certificate of  
6 registration.

7 (b) The notice must consist of a surrender of the certificate of registration on which the proper  
8 information shall be noted on a place to be provided.

9 (c) If the surrender of the certificate is required because the vehicle is destroyed or abandoned, the  
10 department shall cancel the certificate and enter that fact in the records. The number then may be  
11 reassigned.

12 (d) If the surrender is required because of a change of address on the part of the owner, the  
13 department shall record the new address. Upon payment of a fee established by the ~~department~~,  
14 **commission**, a certificate of registration bearing the new information shall be returned to the owner.

15 (e) The transferee of a vehicle registered under this chapter shall, within fifteen (15) days after  
16 acquiring the vehicle, make application to the department for transfer to the transferee of the certificate  
17 of registration issued to the vehicle. The transferee shall provide the transferee's name and address and  
18 the number of the vehicle and pay to the department a fee established by the department. Upon receipt  
19 of the application and fee, the department shall transfer the certificate of registration issued for the  
20 vehicle to the new owner. Unless the application is made and the fee paid within fifteen (15) days, the  
21 vehicle is considered to be without a certificate of registration and a person may not operate the  
22 vehicle until a certificate is issued.

23 SECTION 99. IC 14-16-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
24 PASSAGE]: Sec. 15. If a certificate of registration is lost, mutilated, or illegible, the owner of the  
25 vehicle may obtain a duplicate of the certificate upon application and payment of a fee established by  
26 the ~~department~~. **commission**.

27 SECTION 100. IC 14-16-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
28 PASSAGE]: Sec. 16. (a) A dealer or manufacturer may obtain certificates of registration for use in the  
29 testing or demonstrating of vehicles upon the following:

30 (1) Application to the department upon forms provided by the department.

31 (2) Payment of a fee established by the department for each of the first two (2) registration  
32 certificates. Additional certificates that the dealer requires may be issued for a fee established by  
33 the ~~department~~. **commission**.

34 (b) An applicant may use a certificate issued under this section only in the testing or demonstrating  
35 of vehicles by temporary placement of the numbers on the vehicle being tested or demonstrated. A  
36 certificate issued under this section may be used on only one (1) vehicle at any given time. The  
37 temporary placement of numbers must conform to the requirements of this chapter or rules adopted  
38 under this chapter.

39 (c) A certificate issued under this section is valid for three (3) years.

40 SECTION 101. IC 14-19-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
41 PASSAGE]: Sec. 2. The department may do the following:

42 (1) Make available to the public under rules adopted by the department public parks and other  
43 suitable places for recreation, conservation, and management of natural and cultural resources.  
44 The rules may include a procedure for the establishment of a schedule of admission fees and  
45 service charges **adopted by the commission** for the parks and other places of recreation.

46 (2) Construct, rent, lease, license, or operate public service privileges and facilities in a state park.  
47 An agreement may not be made to rent, lease, or license a public service privilege or facility in  
48 a state park for longer than four (4) years, except as provided in section 3 of this chapter.



(3) Acquire other suitable land or park property within Indiana that is entrusted, donated, or devised to Indiana by the United States or by a county, a city, a town, a private corporation, or an individual for the purpose of public recreation or for the preservation of natural beauty or natural features possessing historic value.

SECTION 102. IC 20-1-1-6.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.5. (a) As used in this section, "board" refers to the **Indiana** state board of education established under section 1 of this chapter.

(b) As used in this section, "department" refers to the department of education established under ~~IC 20-1-1-2~~. **IC 20-19-3-1**.

(c) As used in this section, "governing body" has the meaning set forth in IC 20-10.1-1-5.

(d) As used in this section, "plan" refers to an Indiana school academic plan established under section 6.3 of this chapter.

(e) As used in this section, "program" refers to a professional development program.

(f) As used in this section, "school" includes the following:

(1) A public school.

(2) A nonpublic school that has voluntarily become accredited under section 6 of this chapter.

(g) As used in this section, "superintendent" has the meaning set forth in IC 20-10.1-1-6.

(h) A school shall develop a program as a component of a plan established by the school.

(i) The following apply to a program developed under this section:

(1) The program must emphasize improvement of student learning and performance.

(2) The program must be developed by the committee that develops the school's strategic and continuous improvement and achievement plan under IC 20-10.2-3-1.

(3) The program must be integrated with the school's strategic and continuous improvement and achievement plan developed under IC 20-10.2-3.

(j) A school committee shall submit the school's program to the superintendent for the superintendent's review. The superintendent:

(1) shall review the plan to ensure that the program aligns with the school corporation's objectives, goals, and expectations;

(2) may make written recommendations of modifications to the program to ensure alignment; and

(3) shall return the program and any recommendations to the school committee.

(k) A school committee may modify the program to comply with recommendations made by the superintendent under subsection (j).

(l) A school committee shall submit the program as part of its plan to the governing body. The governing body shall:

(1) approve or reject the program as part of the plan; and

(2) submit the program to the board as part of the plan for the school.

(m) The board may approve a school's program only if the program meets the board's core principles for professional development and the following additional criteria:

(1) To ensure high quality professional development, the program:

(A) is school based and collaboratively designed, and encourages participants to work collaboratively;

(B) has a primary focus on state and local academic standards, including a focus on Core 40 subject areas;

(C) enables teachers to improve expertise in subject knowledge and teaching strategies, uses of technologies, and other essential elements in teaching to high standards;

(D) furthers the alignment of standards, curriculum, and assessments; and

(E) includes measurement activities to ensure the transfer of new knowledge and skills to classroom instruction.



- (2) A variety of resources, including needs assessments, an analysis of data regarding student learning needs, professional literature, research, and school improvement programs, are used in developing the program.
- (3) The program supports professional development for all stakeholders.
- (4) The program includes ongoing professional growth experiences that provide adequate time and job embedded opportunities to support school improvement and student learning, including flexible time for professional development that provides professional development opportunities before, during, and after the regular school day and school year.
- (5) Under the program, teacher time for professional development sustains instructional coherence, participant involvement, and continuity for students.
- (6) The program includes effective, research based strategies to support ongoing developmental activities.
- (7) The program supports experiences to increase the effective use of technology to improve teaching and learning.
- (8) The program encourages diverse techniques, including inquiry, reflection, action research, networking, study groups, coaching, and evaluation.
- (9) The program includes a means for evaluating the effectiveness of the program and activities under the program.
- (n) The board shall approve an evaluation system for professional development based on recommendations from the department and the ~~professional standards board~~ **advisory board for the division of professional standards established by IC 20-1-1.4-3**. The department shall develop a means for measuring successful programs and activities in which schools participate. The measurements must include the following:
- (1) A mechanism to identify and develop strategies to collect multiple forms of data that reflect the achievement of expectations for all students. The data may include the results of ISTEP tests under IC 20-10.1-16, local tests, classroom work, and teacher and administrator observations.
  - (2) A procedure for using collected data to make decisions.
  - (3) A method of evaluation in terms of educator's practice and student learning, including standards for effective teaching and effective professional development.
- (o) A school qualifies for a grant from the department when the school's program, developed and submitted under this section, is approved by the board upon recommendation of the department. For purposes of determining whether a school qualifies for a grant under this chapter, the department shall:
- (1) review;
  - (2) suggest changes to; and
  - (3) recommend approval or rejection of;
- a school's program.
- (p) A school must use a grant received under this section to implement all or part of the school's program by funding activities that may include the following:
- (1) Partnership programs with other entities, including professional development schools.
  - (2) Teacher leadership academies, research teams, and study groups.
  - (3) Workshops, seminars, and site visits.
  - (4) Cooperative programs with other school corporations.
  - (5) National board certification for teachers.
- (q) A school may contract with private or public sector providers to provide professional development activities under this section.
- (r) A grant received under this section:
- (1) shall be expended only for the conduct of activities specified in the program; and
  - (2) shall be coordinated with other professional development programs and expenditures of the



1 school and school corporation.

2 (s) A school shall report to the department concerning the use of grants received under this chapter.

3 A school that fails to make a report under this section is not eligible for a subsequent grant.

4 SECTION 103. IC 20-1-1.4-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
5 2005]: Sec. 1. ~~Notwithstanding IC 20-1-1.1-1,~~ As used in this chapter, "**advisory**" board refers to the  
6 ~~professional standards board~~ **advisory board for the division of professional standards** established  
7 by ~~section 2~~ **section 3** of this chapter.

8 SECTION 104. IC 20-1-1.4-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO  
9 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.5. As used in this chapter, "division"**  
10 **refers to the division of professional standards established by section 2.5 of this chapter.**

11 SECTION 105. IC 20-1-1.4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
12 2005]: Sec. 2. **Except as provided in section 7 of this chapter,** the ~~professional standards board~~ is  
13 established to govern teacher training and licensing programs. ~~Notwithstanding any other law, the~~  
14 ~~board and the board's staff have~~ **department has** the ~~sole~~ authority and responsibility for ~~making~~  
15 ~~recommendations concerning and otherwise governing teacher training education~~ and teacher  
16 licensing matters, **including professional development.**

17 SECTION 106. IC 20-1-1.4-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION** TO  
18 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.5. The division of professional**  
19 **standards is established within the department to administer the responsibilities of the**  
20 **department described in section 2 of this chapter.**

21 SECTION 107. IC 20-1-1.4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
22 2005]: Sec. 3. (a) **The advisory board for the division of professional standards is established to**  
23 **advise the superintendent, the board, the department, and the division on matters concerning**  
24 **teacher education, licensing, and professional development.** The ~~advisory~~ board consists of  
25 nineteen (19) voting members.

26 (b) Each voting member of the **advisory** board described in this subsection and subsections (c) and  
27 (d) must hold an Indiana teacher's license and must be actively employed by a school corporation  
28 unless otherwise provided. Eighteen (18) members shall be appointed by the governor as follows:

29 (1) One (1) member must hold a license and be actively employed in a public school as an  
30 Indiana school superintendent.

31 (2) Two (2) members must:

32 (A) hold licenses as public school principals;

33 (B) be actively employed as public school principals; and

34 (C) be employed at schools having dissimilar grade level configurations.

35 (3) One (1) member must:

36 (A) hold a license as a special education director; and

37 (B) be actively employed as a special education director in:

38 (i) a school corporation; or

39 (ii) a public school special education cooperative.

40 (4) One (1) member must be a member of the governing body of a school corporation but is not  
41 required to be actively employed by a school corporation or to hold an Indiana teacher's license.

42 (5) Three (3) members must meet the following conditions:

43 (A) Represent Indiana teacher ~~training education~~ units within Indiana public and private  
44 institutions of higher education.

45 (B) Hold a teacher's license but not necessarily an Indiana teacher's license.

46 (C) Be actively employed by the respective teacher ~~training education~~ units but are not  
47 required to be employed by a school corporation.

48 (6) Nine (9) members must be licensed and actively employed as Indiana public school teachers



in the following categories:

(A) At least one (1) member must hold an Indiana standard early childhood education license.

(B) At least one (1) member must hold an Indiana teacher's license in elementary education.

(C) At least one (1) member must hold an Indiana teacher's license for middle/junior high school education.

(D) At least one (1) member must hold an Indiana teacher's license in high school education.

(7) One (1) member must be a member of the business community in Indiana, but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(c) Each member described in subsection (b)(6) must be licensed and actively employed as a practicing teacher in at least one (1) of the following areas to be appointed:

(1) At least one (1) member must be licensed in special education.

(2) At least one (1) member must be licensed in vocational education.

(3) At least one (1) member must be employed and licensed in student services, which may include school librarians or psychometric evaluators.

(4) At least one (1) member must be licensed in social science education.

(5) At least one (1) member must be licensed in fine arts education.

(6) At least one (1) member must be licensed in English or language arts education.

(7) At least one (1) member must be licensed in mathematics education.

(8) At least one (1) member must be licensed in science education.

(d) At least one (1) of the voting members described in subsections (b) and (c) must be a parent of a student enrolled in a public preschool or public school within a school corporation in either kindergarten or any of grades 1 through 12.

(e) The ~~state~~ superintendent shall serve as an ex officio voting member of the **advisory** board. The ~~state~~ superintendent may make recommendations to the governor as to the appointment of members on the **advisory** board.

SECTION 108. IC 20-1-1.4-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. The term of office for the appointed members of the **advisory** board is four (4) years.

SECTION 109. IC 20-1-1.4-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. **The superintendent shall appoint the chairman director of the advisory board, shall be elected by a majority of the members of the board who shall be known as the secretary of professional standards,** from among the members of the **advisory** board for a term of one (1) year. A member may be ~~reelected~~ **reappointed** to serve as a ~~chairman director~~ for subsequent terms.

SECTION 110. IC 20-1-1.4-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) Each member of the **advisory** board who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the **advisory** board who is a state employee is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

SECTION 111. IC 20-1-1.4-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) **Subject to subsection (c) and** in addition to the powers and duties set forth in IC 20-6.1, the **advisory** board ~~shall~~ **may** adopt rules under IC 4-22-2 to do the following:

(1) Set standards for teacher licensing and ~~administer for the administration of~~ a professional licensing and certification process **by the department.**

(2) Approve or disapprove teacher preparation programs.





- (3) Set fees to be charged in connection with teacher licensing.
- (4) Suspend, revoke, or reinstate teacher licenses.
- (5) Enter into agreement with other states to acquire reciprocal approval of teacher preparation programs.
- (6) Set standards for teacher licensing relative to new subjects of study.
- (7) Evaluate work experience and military service relative to higher education and experience equivalency.
- (8) Perform any other action that relates to the improvement of instruction in the public schools through teacher education and professional development through continuing education and that attracts qualified candidates for teacher ~~training~~ **education** from among the high school graduates of Indiana.
- (9) Set standards for endorsement of school psychologists as independent practice school psychologists under IC 20-1-1.9.

(b) Notwithstanding subsection (a)(1), a person shall earn one (1) year of occupational experience for purposes of obtaining an occupational specialist certificate under this article for each year the person holds a license under IC 25-8-6.

**(c) Before publishing notice of the intent to adopt a rule under IC 4-22-2, the advisory board must submit the proposed rule to the superintendent for approval. If the superintendent approves the rule, the advisory board may publish notice of the intent to adopt the rule. If the superintendent does not approve the rule, the advisory board may not publish notice of the intent to adopt the rule.**

SECTION 112. IC 20-1-1.4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ~~board~~ **department** may recommend to the general assembly for consideration of the general assembly measures relating to the ~~board's~~ **department's** powers and duties that improve the quality of teacher preparation or teacher licensing standards.

(b) The ~~board~~ **department** shall submit to the general assembly before November 1 of each year a report:

(1) detailing the findings and activities of the **department, the division, and the advisory board**; and

(2) including any recommendations developed by the ~~board~~ **under this chapter**.

SECTION 113. IC 20-1-1.4-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The ~~board~~ **department** may, subject to approval by the budget agency, do the following **to administer the responsibilities of the department described in section 2 of this chapter**:

(1) Establish advisory committees the ~~board~~ **department** determines are necessary.

(2) Expend funds made available to the ~~board~~ **department** according to policies established by the budget agency.

(b) The ~~board~~ **department** shall comply with the requirements for submitting a budget request to the budget agency, as set forth in IC 4-12-1, **for funds to administer the responsibilities of the department described in section 2 of this chapter**.

SECTION 114. IC 20-1-1.4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. IC 4-21.5 applies to orders issued by the ~~board~~ **under this chapter**.

SECTION 115. IC 20-1-1.4-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. There is established the professional standards fund to be administered by the department. The fund consists of fees collected under this chapter. Money in the fund does not revert to the state general fund at the end of a state fiscal year.**

SECTION 116. IC 20-1-1.9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,



2005]: Sec. 4. An individual who applies for an endorsement as an independent practice school psychologist must meet the following requirements:

(1) Be licensed as a school psychologist by the ~~professional standards board established by IC 20-1-1.4-2.~~ **department.**

(2) Be employed by a:

- (A) developmental center;
- (B) state hospital;
- (C) public or private hospital;
- (D) mental health center;
- (E) rehabilitation center;
- (F) private school; or
- (G) public school;

at least thirty (30) hours per week during the contract period unless the individual is retired from full-time or part-time employment as a school psychologist or the individual has a medical condition or physical disability that restricts the mobility required for employment in a school setting.

(3) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has received at least a sixty (60) semester hour master's or specialist degree in school psychology from:

- (A) a recognized institution of higher learning; or
- (B) an educational institution not located in the United States that has a program of study that meets the standards of the ~~board.~~ **department.**

(4) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has demonstrated graduate level competency through the successful completion of course work and a practicum in the areas of assessment and counseling.

(5) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has at least one thousand two hundred (1,200) hours of school psychology experience beyond the master's degree level. At least six hundred (600) hours must be in a school setting under the supervision of any of the following:

- (A) A physician licensed under IC 25-22.5.
- (B) A psychologist licensed under IC 25-33.
- (C) A school psychologist licensed under IC 20-1-1.4.

(6) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has completed, in addition to the requirements in subdivision (5), at least four hundred (400) hours of supervised experience in identification and referral of mental and behavioral disorders, including at least one (1) hour each week of direct personal supervision by a:

- (A) physician licensed under IC 25-22.5;
- (B) psychologist licensed under IC 25-33; or
- (C) school psychologist endorsed under this chapter;

with at least ten (10) hours of direct personal supervision.

(7) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has completed, in addition to the requirements of subdivisions (5) and (6), fifty-two (52) hours of supervision with a physician licensed under IC 25-22.5, a psychologist licensed under IC 25-33, or a school psychologist endorsed under this chapter that meets the following requirements:

- (A) The fifty-two (52) hours must be completed within at least twenty-four (24) consecutive months but not less than twelve (12) months.
- (B) Not more than one (1) hour of supervision may be included in the total for each week.



(C) At least nine hundred (900) hours of direct client contact must take place during the total period under ~~subdivision clause~~ (A).

(8) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant does not have a conviction for a crime that has a direct bearing on the applicant's ability to practice competently.

(9) Furnish satisfactory evidence to the ~~professional standards board~~ **department** that the applicant has not been the subject of a disciplinary action by a licensing or certification agency of any jurisdiction on the grounds that the applicant was not able to practice as a school psychologist without endangering the public.

(10) Pass the examination provided by the ~~professional standards board~~ **department**.

SECTION 117. IC 20-5.5-1-1.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1.3. "ADM of the previous year" or "ADM of the prior year" has the meaning set forth in ~~IC 21-3-1.6-1.1(m)~~ **IC 21-3-1.6-1.1**.

SECTION 118. IC 20-5.5-1-5.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.5. "Current ADM" has the meaning set forth in ~~IC 21-3-1.6-1.1(n)~~ **IC 21-3-1.6-1.1**.

SECTION 119. IC 20-5.5-7-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3. (a) Not later than the date established by the department for determining average daily membership under IC 21-3-1.6-1.1(d), and after May 31, the organizer shall submit to the department the following information on a form prescribed by the department:

- (1) The number of students enrolled in the charter school.
- (2) The name and address of each student.
- (3) The name of the school corporation in which the student has legal settlement.
- (4) The name of the school corporation, if any, that the student attended during the immediately preceding school year.
- (5) The grade level in which the student will enroll in the charter school.

The department shall verify the accuracy of the information reported.

(b) This subsection applies after December 31 of the calendar year in which a charter school begins its initial operation. The department shall distribute to the organizer the amount determined under IC 21-3-1.7 for the charter school. The department shall make a distribution under this subsection at the same time and in the same manner as the department makes a distribution under IC 21-3-1.7.

(c) The department shall provide to the department of local government finance the following information:

- (1) For each county, the number of students who:
  - (A) have legal settlement in the county; and
  - (B) attend a charter school.
- (2) The school corporation in which each student described in subdivision (1) has legal settlement.
- (3) The charter school that a student described in subdivision (1) attends and the county in which the charter school is located.
- (4) The amount determined under ~~IC 6-1.1-19-1.5(f)~~ **STEP EIGHT for 2004 and IC 6-1.1-19-1.5(b) STEP SIX for 2005 FIVE (D)** for each school corporation described in subdivision (2).
- (5) The amount determined under STEP TWO of the following formula:

STEP ONE: Determine the product of:

  - (A) the amount determined under ~~IC 21-3-1.7-6.7(d)~~ **or IC 21-3-1.7-6.7(e) IC 21-3-1.7-6.7** for a charter school described in subdivision (3); multiplied by
  - (B) thirty-five hundredths (0.35).



1 STEP TWO: Determine the product of:  
2 (A) the STEP ONE amount; multiplied by  
3 (B) the current ADM of a charter school described in subdivision (3).  
4 (6) The amount determined under STEP THREE of the following formula:  
5 STEP ONE: Determine the number of students described in subdivision (1) who:  
6 (A) attend the same charter school; and  
7 (B) have legal settlement in the same school corporation located in the county.  
8 STEP TWO: Determine the subdivision (5) STEP ONE amount for a charter school described  
9 in STEP ONE (A).  
10 STEP THREE: Determine the product of:  
11 (A) the STEP ONE amount; multiplied by  
12 (B) the STEP TWO amount.

13 SECTION 120. IC 20-5.5-7.5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
14 JANUARY 1, 2006]: Sec. 4. (a) The amount of an advance under section 3 of this chapter for  
15 operational costs described in section 2(1) of this chapter may not exceed the amount determined  
16 under STEP THREE of the following formula:

17 STEP ONE: Determine the product of:  
18 (A) the charter school's enrollment reported under IC 20-5.5-7-3(a); multiplied by  
19 (B) the target revenue per ADM determined under ~~IC 21-3-1.7-6.7(d)~~ or ~~IC 21-3-1.7-6.7(e)~~  
20 **IC 21-3-1.7-6.7** for the charter school.  
21 STEP TWO: Determine the quotient of:  
22 (A) the STEP ONE amount; divided by  
23 (B) two (2).  
24 STEP THREE: Determine the product of:  
25 (A) the STEP TWO amount; multiplied by  
26 (B) one and fifteen-hundredths (1.15).

27 (b) The amount of an advance under section 3 of this chapter for operational costs described in  
28 section 2(2) of this chapter may not exceed the amount determined under STEP FOUR of the  
29 following formula:

30 STEP ONE: Determine the quotient of:  
31 (A) the target revenue per ADM determined under ~~IC 21-3-1.7-6.7(d)~~ or ~~IC 21-3-1.7-6.7(e)~~  
32 **IC 21-3-1.7-6.7** for the charter school; divided by  
33 (B) two (2).  
34 STEP TWO: Determine the difference between:  
35 (A) the charter school's current ADM; minus  
36 (B) the charter school's ADM of the previous year.  
37 STEP THREE: Determine the product of:  
38 (A) the STEP ONE amount; multiplied by  
39 (B) the STEP TWO amount.  
40 STEP FOUR: Determine the product of:  
41 (A) the STEP THREE amount; multiplied by  
42 (B) one and fifteen-hundredths (1.15).

43 SECTION 121. IC 20-5.5-8-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
44 2005]: Sec. 4. Except as specifically provided in this article and the statutes listed in section 5 of this  
45 chapter, the following do not apply to a charter school:

- 46 (1) Any Indiana statute applicable to a governing body or school corporation.  
47 (2) A rule or guideline adopted by the Indiana state board of education.  
48 (3) A rule or guideline adopted by the **advisory board of the division of** professional standards



1 ~~board of the department of education~~ (established by ~~IC 20-1-1.4-2~~), **IC 20-1-1.4-3**), except  
2 for those rules that assist a teacher in gaining or renewing a standard or advanced license.

3 (4) A local regulation or policy adopted by a school corporation unless specifically incorporated  
4 in the charter.

5 SECTION 122. IC 20-6.1-1-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
6 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 0.5. As used in this article, "advisory**  
7 **board" refers to the advisory board of the division of professional standards of the department**  
8 **of education established by IC 20-1-1.4-3.**

9 SECTION 123. IC 20-6.1-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
10 2005]: Sec. 4. (a) As used in this article, the term "license" refers to any document issued by the  
11 ~~professional standards board established by IC 20-1-1.4~~, which **department that** grants permission  
12 to serve as a particular kind of teacher. The term includes but is not necessarily limited to any  
13 certificate or permit issued by the ~~professional standards board~~; **department.**

14 (b) As used in this article, the term "kind of license" refers to the various types and grades of  
15 licenses.

16 SECTION 124. IC 20-6.1-1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
17 2005]: Sec. 8. ~~Definition, "Teacher":~~ As used in this article, the term "teacher" means a professional  
18 person whose position in the school corporation requires certain ~~teacher training preparations~~  
19 **educational preparation** and licensing. The term includes, but is not limited to, any superintendent,  
20 supervisor, principal, attendance officer, teacher, or librarian.

21 SECTION 125. IC 20-6.1-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
22 2005]: Sec. 1. (a) The ~~professional standards board established by IC 20-1-1.4~~ **department** shall:

- 23 (1) arrange a statewide system of professional instruction for teacher ~~training~~; **education**;  
24 (2) accredit and inspect teacher ~~training education~~ schools and departments which comply with  
25 the rules of the ~~professional standards board~~; **department**;  
26 (3) recommend and approve courses for the ~~training education~~ of particular kinds of teachers in  
27 accredited schools and departments; and  
28 (4) specify the kinds of licenses for graduates of approved courses.

29 (b) **The department shall work with teacher education schools and departments to develop**  
30 **a system of teacher education that ensures individuals who graduate from the schools and**  
31 **departments are able to meet the highest professional standards.**

32 SECTION 126. IC 20-6.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
33 2005]: Sec. 2. (a) Each accredited school and department may use the word "accredited" in advertising  
34 its approved courses and the kind of teachers it is accredited to prepare. Each accredited school and  
35 department may enter into the student teaching agreements specified in IC 20-5-10.

36 (b) The ~~professional standards board~~ **department** shall revoke this right to use the word  
37 "accredited" when an accredited school or department refuses to abide by the ~~professional standards~~  
38 **advisory board's** rules.

39 SECTION 127. IC 20-6.1-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
40 2005]: Sec. 1. The ~~board~~ **department** is responsible for the licensing of teachers.

41 SECTION 128. IC 20-6.1-3-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
42 2005]: Sec. 2. The **advisory** board may adopt rules for:

- 43 (1) the issuance of a substitute license; and  
44 (2) the employment of substitute licensees.

45 A person may not serve as a substitute teacher without a license issued by the ~~board~~; **department.**

46 SECTION 129. IC 20-6.1-3-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
47 2005]: Sec. 3. (a) The ~~board~~ **department** shall designate:

- 48 (1) the grade average required for each kind of license; and



1 (2) the kinds of license to which the teachers' minimum salary laws apply, including  
2 nonrenewable one (1) year limited licenses.

3 (b) The **board department** shall determine details of licensing not provided in this chapter. These  
4 details may include requirements regarding:

- 5 (1) the conversion of one (1) kind of license into another;  
6 (2) the accreditation of teacher **training education** schools and departments;  
7 (3) the exchange and renewal of licenses;  
8 (4) the endorsement of another state's license;  
9 (5) the acceptance of credentials from teacher **training education** institutions of another state;  
10 (6) the academic and professional preparation for each kind of license;  
11 (7) the granting of permission to teach a high school subject area related to the subject area for  
12 which the teacher holds a license;  
13 (8) the issuance of licenses on credentials;  
14 (9) the kind of license for each school position;  
15 (10) the size of an elementary school requiring a licensed principal; and  
16 (11) other related matters.

17 However, the **board department** shall ~~not later than December 31, 1984~~, establish at least one (1)  
18 system for renewing a teaching license that does not require a graduate degree.

19 (c) The **board department** shall periodically publish bulletins regarding:

- 20 (1) the details described in subsection (b);  
21 (2) information on the kinds of licenses issued;  
22 (3) the rules governing the issuance of each kind of license; and  
23 (4) other similar matters.

24 SECTION 130. IC 20-6.1-3-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
25 2005]: Sec. 7. (a) On the written recommendation of the state superintendent, the **board department**  
26 may suspend or revoke a license for:

- 27 (1) immorality;  
28 (2) misconduct in office;  
29 (3) incompetency; or  
30 (4) willful neglect of duty.

31 However, for each suspension or revocation, the **board department** shall comply with IC 4-21.5-3.

32 (b) This subsection applies when a prosecuting attorney knows that a licensed employee of a public  
33 school (as defined in IC 20-10.1-1-2) or a nonpublic school has been convicted of an offense listed in  
34 subsection (d). The prosecuting attorney shall immediately give written notice of the conviction to the  
35 following:

- 36 (1) The state superintendent.  
37 (2) Except as provided in subdivision (3), the superintendent of the school corporation that  
38 employs the licensed employee or the equivalent authority for the nonpublic school.  
39 (3) The presiding officer of the governing body of the school corporation that employs the  
40 licensed employee, if the convicted licensed employee is the superintendent of the school  
41 corporation.

42 (c) The superintendent of a school corporation, presiding officer of the governing body, or  
43 equivalent authority for a nonpublic school shall immediately notify the state superintendent when the  
44 person knows that a current or former licensed employee of the public school or nonpublic school has  
45 been convicted of an offense listed in subsection (d).

46 (d) The **board department**, after holding a hearing on the matter, shall permanently revoke the  
47 license of a person who is known by the **board department** to have been convicted of any of the  
48 following felonies:



- (1) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age.
  - (2) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age.
  - (3) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.
  - (4) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.
  - (5) Child molesting (IC 35-42-4-3).
  - (6) Child exploitation (IC 35-42-4-4(b)).
  - (7) Vicarious sexual gratification (IC 35-42-4-5).
  - (8) Child solicitation (IC 35-42-4-6).
  - (9) Child seduction (IC 35-42-4-7).
  - (10) Sexual misconduct with a minor (IC 35-42-4-9).
  - (11) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.
  - (12) Dealing in or manufacturing cocaine, a narcotic drug, or methamphetamine (IC 35-48-4-1).
  - (13) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).
  - (14) Dealing in a schedule IV controlled substance (IC 35-48-4-3).
  - (15) Dealing in a schedule V controlled substance (IC 35-48-4-4).
  - (16) Dealing in a counterfeit substance (IC 35-48-4-5).
  - (17) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10(b)).
  - (e) A license may be suspended by the state superintendent as specified in IC 20-6.1-4-13.
- SECTION 131. IC 20-6.1-3-7.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.1. (a) As used in this section, "applicant" refers to an applicant for:
- (1) a new license;
  - (2) a renewal license; or
  - (3) a substitute teacher certificate;
- issued by the ~~board~~ **department**.
- (b) As used in this section, "limited criminal history" has the meaning set forth in IC 10-13-3-11.
  - (c) As used in this section, "disposition" has the meaning set forth in IC 10-13-3-7.
  - (d) An applicant must do the following:
    - (1) Submit a request to the Indiana central repository for limited criminal history information under IC 10-13-3.
    - (2) Obtain a copy of the limited criminal history for the applicant from the repository's records.
    - (3) Submit to the ~~board~~ **department** the limited criminal history for the applicant.
    - (4) Submit to the ~~board~~ **department** a document verifying a disposition that does not appear on the limited criminal history for the applicant.
  - (e) The ~~board~~ **department** may deny the issuance of a license or certificate to an applicant who is convicted of an offense for which the individual's license may be revoked or suspended under this chapter.
  - (f) The ~~board~~ **department** must use the information obtained under this section in accordance with IC 10-13-3-29.
  - (g) An applicant is responsible for all costs associated with meeting the requirements of this section.
- SECTION 132. IC 20-6.1-3-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ~~board~~ **department** shall keep a record of:
- (1) all licenses issued;
  - (2) all licenses in force; and
  - (3) the academic preparation, professional preparation, and teaching experience of each applicant for a license or a license renewal.
- (b) Each superintendent shall register and keep a record of:
- (1) the kind of license held by each teacher;



1 (2) each teacher's date of first employment; and

2 (3) each teacher's annual or monthly salary.

3 SECTION 133. IC 20-6.1-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
4 2005]: Sec. 9. (a) The **board department** shall not renew the junior high/middle school or secondary  
5 education license of a teacher on the basis of the teacher obtaining a graduate degree unless the teacher  
6 completes at least the equivalent of eighteen (18) semester hours beyond the teacher's undergraduate  
7 degree in any combination of courses in the teacher's major, minor, primary, supporting, or  
8 endorsement areas. These semester hours may include graduate hours, undergraduate hours, or both,  
9 as determined by the ~~board~~ **department**.

10 (b) The **advisory** board may adopt rules under IC 4-22-2 to create exceptions to subsection (a), and  
11 may grant individual waivers to subsection (a).

12 (c) This section does not apply to anyone who, on or before September 1, 1985, has earned more  
13 than the equivalent of twelve (12) semester hours of graduate credit.

14 SECTION 134. IC 20-6.1-3-10.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
15 1, 2005]: Sec. 10.1. (a) The **board department** may not grant an initial standard license to an  
16 individual unless the individual has demonstrated proficiency in the following areas on a written  
17 examination or through other procedures prescribed by the ~~board~~ **department**:

18 (1) Basic reading, writing, and mathematics.

19 (2) Pedagogy.

20 (3) Knowledge of the areas in which the individual is required to have a license to teach.

21 (4) If the individual is seeking to be licensed as an elementary school teacher, comprehensive  
22 reading instruction skills, including:

23 (A) phonemic awareness; and

24 (B) phonics instruction.

25 (b) An individual's license examination score may not be disclosed by the ~~board~~ **department**  
26 without the individual's consent unless specifically required by state or federal statute or court order.

27 (c) The **advisory** board shall adopt rules under IC 4-22-2 to do the following:

28 (1) Adopt, validate, and implement the examination or other procedures required by subsection  
29 (a).

30 (2) Establish examination scores indicating proficiency.

31 (3) Otherwise carry out the purposes of this section.

32 (d) The **advisory** board shall adopt rules under IC 4-22-2 establishing the conditions under which  
33 the requirements of this section may be waived for individuals holding valid ~~teachers~~ **teacher's**  
34 licenses issued by another state.

35 (e) Subsection (a) does not apply to individuals holding Indiana limited, reciprocal, or standard  
36 teaching licenses on June 30, 1985.

37 (f) If the ~~board~~ **department** is notified by the department of state revenue that a person is on the  
38 most recent tax warrant list, the ~~board~~ **department** may not grant an initial standard license to the  
39 person until:

40 (1) the person provides the ~~board~~ **department** with a statement from the department of state  
41 revenue indicating that the person's delinquent tax liability has been satisfied; or

42 (2) the ~~board~~ **department** receives a notice from the commissioner of the department of state  
43 revenue under IC 6-8.1-8-2(k).

44 SECTION 135. IC 20-6.1-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
45 2005]: Sec. 11. (a) As used in this section, "program" refers to the transition to teaching program  
46 established by subsection (b).

47 (b) The transition to teaching program is established to accomplish the following:

48 (1) Facilitate the transition into the teaching profession of competent professionals in fields other





1 than teaching.

2 (2) Allow competent professionals who do not hold a teaching license to earn and be issued a  
3 teaching license through participation in and satisfactory completion of the program.

4 (c) Subject to the requirements of this section, the **board department** shall develop and administer  
5 the program. The **board department** shall determine the details of the program that are not included  
6 in this section.

7 (d) Each accredited teacher ~~training~~ **education** school and department shall establish a course of  
8 study that constitutes the higher education component of the program. The higher education  
9 component required under this subsection must comply with the following requirements:

10 (1) Include the following study requirements:

11 (A) For a program participant who seeks to obtain a license to teach in grade 6 through grade  
12 12, up to eighteen (18) credit hours of study or the equivalent that prepare a program  
13 participant to meet Indiana standards for teaching in the subject areas corresponding to the  
14 area in which the program participant has met the education requirements under subsection  
15 (e), unless the program participant demonstrates that the program participant requires fewer  
16 credit hours of study to meet Indiana standards for teaching.

17 (B) For a program participant who seeks to obtain a license to teach in kindergarten through  
18 grade 5, twenty-four (24) credit hours of study or the equivalent, which must include at least  
19 six (6) credit hours in the teaching of reading, that prepare a program participant to meet  
20 Indiana standards for teaching, unless the program participant demonstrates that the program  
21 participant requires fewer credit hours of study to meet Indiana standards for teaching.

22 (2) Focus on the communication of knowledge to students.

23 (3) Include suitable field or classroom experiences if the program participant does not have  
24 teaching experience.

25 (e) A person who wishes to participate in the program must have one (1) of the following  
26 qualifications:

27 (1) For a program participant who seeks to obtain a license to teach in grade 6 through grade 12,  
28 one (1) of the following:

29 (A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four  
30 (4.0) scale from an accredited institution of higher education in the subject area that the person  
31 intends to teach.

32 (B) A graduate degree from an accredited institution of higher education in the subject area  
33 that the person intends to teach.

34 (C) Both:

35 (i) a bachelor's degree from an accredited institution of higher education with a grade point  
36 average of two and five-tenths (2.5) on a four (4) point scale; and

37 (ii) five (5) years of professional experience;

38 in the subject area that the person intends to teach.

39 (2) For a program participant who seeks to obtain a license to teach in kindergarten through grade  
40 5, one (1) of the following:

41 (A) A bachelor's degree or the equivalent with a grade point average of three (3.0) on a four  
42 (4.0) scale from an accredited institution of higher education.

43 (B) Both:

44 (i) a bachelor's degree from an accredited institution of higher education with a grade point  
45 average of two and five-tenths (2.5) on a four (4.0) point scale; and

46 (ii) five (5) years of professional experience in an education-related field.

47 (f) The **board department** shall grant an initial standard license to a program participant who does  
48 the following:



- (1) Successfully completes the higher education component of the program.
- (2) Demonstrates proficiency through a written examination in:
- (A) basic reading, writing, and mathematics;
  - (B) pedagogy; and
  - (C) knowledge of the areas in which the program participant is required to have a license to teach;
- under section 10.1(a) of this chapter.
- (3) Participates successfully in a beginning teacher internship program under IC 20-6.1-8 (repealed) that includes implementation in a classroom of the teaching skills learned in the higher education component of the program.
- (4) Receives a successful assessment of teaching skills upon completion of the beginning teacher internship program from the administrator of the school where the beginning teacher internship program takes place, or, if the program participant does not receive a successful assessment, **participates continues participation** in the beginning teacher internship program. ~~for a second year, as provided under IC 20-6.1-8-13 (repealed). The appeals provisions of IC 20-6.1-8-14 (repealed) apply to an assessment under this subdivision.~~
- (g) This subsection applies to a program participant who has a degree described in subsection (e) that does not include all the content areas of a standard license issued by the ~~board~~ **department**. The ~~board~~ **department** shall issue an initial standard license that is restricted to only the content areas in which the program participant has a degree unless the program participant demonstrates sufficient knowledge in other content areas of the license.
- (h) A school corporation may hire a program participant to teach only in the subject area in which the participant meets the qualifications set forth under subsection (e).
- (i) After receiving an initial standard license under subsection (f) or (g), a program participant who seeks to renew the participant's initial standard license must meet the same requirements as other candidates for license renewal.
- (j) The **advisory** board may adopt rules under IC 4-22-2 to administer this section. Rules adopted under this subsection must include a requirement that accredited teacher ~~training~~ **education** schools and departments submit an annual report to the ~~board~~ **department** of the number of individuals who:
- (1) enroll in; and
  - (2) complete;
- the program.
- SECTION 136. IC 20-6.1-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Computation of minimum salary shall be made each school year on the basis of the teacher's ~~training~~ **education**, experience, and degree, completed as of the first day of service. If a teacher is licensed by the ~~professional standards board~~ **department** on the first day of service in the current school year or on another date as agreed by the school employer and the exclusive representative under IC 20-7.5, the minimum salary of the public school teacher is as follows:
- (1) The minimum salary of a teacher who has completed four (4) years or one hundred forty-four (144) weeks of professional ~~training~~ **education**, for service during a nine (9) months school term, is five thousand two hundred dollars (\$5,200). To this salary, an increment of one hundred fifty dollars (\$150) shall be added for each of the first ten (10) years of experience. An increment of two hundred fifty dollars (\$250) shall be added to this salary after the fifteenth year and again after the twentieth year of experience.
  - (2) The minimum salary of a teacher who has completed five (5) years or one hundred eighty (180) weeks of professional ~~training~~ **education**, for service during a nine (9) months school term, is five thousand five hundred dollars (\$5,500). To this salary, an increment of one hundred fifty dollars (\$150) shall be added for each of the first eighteen (18) years of experience. An increment



of three hundred dollars (\$300) shall be added to this salary after each of the following years of experience:

- (A) The nineteenth.
- (B) The twentieth.
- (C) The twenty-second.
- (D) The twenty-fourth.
- (E) The twenty-sixth.
- (F) The thirtieth.

(3) The beginning salary of a teacher who has completed less than four (4) years of professional ~~training~~ **education**, for service during a nine (9) months school term, is four thousand seven hundred dollars (\$4,700). To this salary, an increment of one hundred twenty dollars (\$120) shall be added after each of the first ten (10) years of experience.

SECTION 137. IC 20-6.1-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) If the school term of or contract with a school corporation is more or less than nine (9) months, the minimum salary as set forth in section 1 of this chapter shall be proportionately increased or decreased.

(b) The ~~professional standards board~~ **department** shall require:

- (1) a bachelor's degree from an accredited teacher ~~training~~ **education** institution for each teacher seeking to qualify for the first time for classification under section 1(1) of this chapter; and
- (2) a master's degree for each teacher seeking to qualify for the first time for classification under section 1(2) of this chapter. Five (5) years of ~~training~~ **education** may not be recognized unless at least a bachelor's degree has been completed.

(c) In fixing the annual salary of teachers when contracting with them or when distributing state funds, a fraction of less than one-half (1/2) of a dollar is dropped while a fraction of one-half (1/2) or more is adjusted to the next whole dollar.

SECTION 138. IC 20-6.1-5-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) A person who:

(1) holds: ~~a:~~

- (A) ~~a~~ professional license;
  - (B) ~~a~~ provisional license;
  - (C) ~~a~~ limited license; or
  - (D) an equivalent license, which is issued by the ~~professional standards board;~~ **department;**
- and

(2) serves as an occasional substitute teacher;

shall be compensated on the pay schedule for substitutes of the school corporation ~~he the person~~ serves.

(b) A person who:

(1) holds a:

- (A) professional license; or
- (B) provisional license; and

(2) serves as a substitute teacher in the same teaching position for more than fifteen (15) consecutive school days;

shall be compensated on the regular pay schedule for teachers of the school corporation ~~he the person~~ serves.

SECTION 139. IC 20-8.1-3-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. With the exception of ex officio attendance officers, no person may hold the position of attendance officer unless ~~he the person~~ has complied with all standards of the ~~professional standards board~~ **department** and has been properly licensed by ~~that body:~~ **the department.**



1 SECTION 140. IC 20-8.1-6.1-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
2 1, 2005]: Sec. 6.1. (a) A school corporation may enter into an agreement with:

- 3 (1) a nonprofit corporation that operates a federally approved education program; or  
4 (2) a nonprofit corporation that:  
5 (A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue  
6 Code;  
7 (B) for its classroom instruction, employs teachers who are certified by the ~~professional~~  
8 ~~standards board; department;~~  
9 (C) employs other professionally and state licensed staff as appropriate; and  
10 (D) educates children who:  
11 (i) have been suspended, expelled, or excluded from a public school in that school  
12 corporation and have been found to be emotionally disturbed;  
13 (ii) have been placed with the nonprofit corporation by court order;  
14 (iii) have been referred by a local health department; or  
15 (iv) have been placed in a state licensed private or public health care or child care facility  
16 as described in section 5(b) of this chapter;

17 in order to provide a student with an individualized education program that is the most suitable  
18 educational program available.

19 (b) If a school corporation that is a transferee corporation enters into an agreement as described in  
20 subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon  
21 from the transfer tuition of the student. The amount agreed upon may not exceed the transfer tuition  
22 costs that otherwise would be payable to the transferee corporation.

23 (c) If a school corporation that is a transferor corporation enters into an agreement as described in  
24 subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon  
25 which may not exceed the transfer tuition costs that otherwise would be payable to a transferee school  
26 corporation.

27 SECTION 141. IC 20-8.1-6.1-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
28 JANUARY 1, 2006]: Sec. 8. (a) As used in this section, the following terms have the following  
29 meanings:

30 (1) "Class of school" refers to a classification of each school or program in the transferee  
31 corporation by the grades or special programs taught at the school. Generally, these  
32 classifications are denominated as kindergarten, elementary school, middle school or junior high  
33 school, high school, and special schools or classes, such as schools or classes for special  
34 education, vocational training, or career education.

35 (2) "ADM" means the following:

36 (A) For purposes of allocating to a transfer student state distributions under IC 21-1-30  
37 (primetime), "ADM" as computed under IC 21-1-30-2.

38 (B) For all other purposes, "ADM" as set forth in IC 21-3-1.6-1.1.

39 (3) "Pupil enrollment" means the following:

40 (A) The total number of students in kindergarten through grade 12 who are enrolled in a  
41 transferee school corporation on a date determined by the Indiana state board of education.

42 (B) The total number of students enrolled in a class of school in a transferee school  
43 corporation on a date determined by the Indiana state board of education.

44 However, a kindergarten student shall be counted under clauses (A) and (B) as one-half (1/2) a  
45 student.

46 (4) "Special equipment" means equipment that during a school year:

47 (A) is used only when a child with disabilities is attending school;

48 (B) is not used to transport a child to or from a place where the child is attending school;



(C) is necessary for the education of each child with disabilities that uses the equipment, as determined under the individualized instruction program for the child; and

(D) is not used for or by any child who is not a child with disabilities.

The Indiana state board of education may select a different date for counts under subdivision (3). However, the same date shall be used for all school corporations making a count for the same class of school.

(b) Each transferee corporation is entitled to receive for each school year on account of each transferred student, except a student transferred under section 3 of this chapter, transfer tuition from the transferor corporation or the state as provided in this chapter. Transfer tuition equals the amount determined under STEP THREE of the following formula:

STEP ONE: Allocate to each transfer student the capital expenditures for any special equipment used by the transfer student and a proportionate share of the operating costs incurred by the transferee school for the class of school where the transfer student is enrolled.

STEP TWO: If the transferee school included the transfer student in the transferee school's ADM for a school year, allocate to the transfer student a proportionate share of the following general fund revenues of the transferee school for, except as provided in clause (C), the calendar year in which the school year ends:

(A) The following state distributions that are computed in any part using ADM or other pupil count in which the student is included:

(i) Primetime grant under IC 21-1-30.

(ii) Tuition support for basic programs. ~~and at-risk weights under IC 21-3-1.7-8 (before January 1, 1996) and only for basic programs (after December 31, 1995).~~

(iii) Enrollment growth grant under IC 21-3-1.7-9.5 **before 2006.**

~~(iv) At-risk grant under IC 21-3-1.7-9.7.~~

~~(v) (iv)~~ Academic honors diploma award under IC 21-3-1.7-9.8.

~~(vi) (v)~~ Vocational education grant under IC 21-3-12.

~~(vii) (vi)~~ Special education grant under IC 21-3-2.1.

~~(viii) The portion of the ADA flat grant that is available for the payment of general operating expenses under IC 21-3-4.5-2(b)(1).~~

(B) For school years beginning after June 30, 1997, Property tax levies **(as defined in IC 6-1.1-19) received for deposit in the calendar year in which the school year begins.**

(C) For school years beginning after June 30, 1997, Excise tax revenue (as defined in IC 21-3-1.7-2) received for deposit in the calendar year in which the school year begins.

(D) For school years beginning after June 30, 1997, Allocations to the transferee school under IC 6-3.5 **received for deposit in the calendar year in which the school year begins.**

STEP THREE: Determine the greater of:

(A) zero (0); or

(B) the result of subtracting the STEP TWO amount from the STEP ONE amount.

If a child is placed in an institution or facility in Indiana under a court order, the institution or facility shall charge the county office of the county of the student's legal settlement under IC 12-19-7 for the use of the space within the institution or facility (commonly called capital costs) that is used to provide educational services to the child based upon a prorated per student cost.

(c) Operating costs shall be determined for each class of school where a transfer student is enrolled. The operating cost for each class of school is based on the total expenditures of the transferee corporation for the class of school from its general fund expenditures as specified in the classified budget forms prescribed by the state board of accounts. This calculation excludes:

(1) capital outlay;

(2) debt service;



(3) costs of transportation;  
(4) salaries of board members;  
(5) contracted service for legal expenses; and  
(6) any expenditure which is made out of the general fund from extracurricular account receipts; for the school year.

(d) The capital cost of special equipment for a school year is equal to:

(1) the cost of the special equipment; divided by

(2) the product of:

(A) the useful life of the special equipment, as determined under the rules adopted by the Indiana state board of education; multiplied by

(B) the number of students using the special equipment during at least part of the school year.

(e) When an item of expense or cost described in subsection (c) cannot be allocated to a class of school, it shall be prorated to all classes of schools on the basis of the pupil enrollment of each class in the transferee corporation compared to the total pupil enrollment in the school corporation.

(f) Operating costs shall be allocated to a transfer student for each school year by dividing:

(1) the transferee school corporation's operating costs for the class of school in which the transfer student is enrolled; by

(2) the pupil enrollment of the class of school in which the transfer student is enrolled.

When a transferred student is enrolled in a transferee corporation for less than the full school year of pupil attendance, the transfer tuition shall be calculated by the portion of the school year for which the transferred student is enrolled. A school year of pupil attendance consists of the number of days school is in session for pupil attendance. A student, regardless of the student's attendance, is enrolled in a transferee school unless the student is no longer entitled to be transferred because of a change of residence, the student has been excluded or expelled from school for the balance of the school year or for an indefinite period, or the student has been confirmed to have withdrawn from school. The transferor and the transferee corporation may enter into written agreements concerning the amount of transfer tuition due in any school year. Where an agreement cannot be reached, the amount shall be determined by the Indiana state board of education, and costs may be established, when in dispute, by the state board of accounts.

(g) A transferee school shall allocate revenues described in subsection (b) STEP TWO to a transfer student by dividing:

(1) the total amount of revenues received; by

(2) the ADM of the transferee school for the school year that ends in the calendar year in which the revenues are received.

However, for state distributions under IC 21-1-30, IC 21-3-2.1, IC 21-3-12, or any other statute that computes the amount of a state distribution using less than the total ADM of the transferee school, the transferee school shall allocate the revenues to the transfer student by dividing the revenues that the transferee school is eligible to receive in a calendar year by the pupil count used to compute the state distribution.

(h) In lieu of the payments provided in subsection (b), the transferor corporation or state owing transfer tuition may enter into a long term contract with the transferee corporation governing the transfer of students. This contract is for a maximum period of five (5) years with an option to renew, and may specify a maximum number of pupils to be transferred and fix a method for determining the amount of transfer tuition and the time of payment, which may be different from that provided in section 9 of this chapter.

(i) If the school corporation can meet the requirements of ~~IC 21-1-30-5~~, **IC 21-1-30-5.5**, it may negotiate transfer tuition agreements with a neighboring school corporation that can accommodate additional students. Agreements under this section may be for one (1) year or longer and may fix a



method for determining the amount of transfer tuition or time of payment that is different from the method, amount, or time of payment that is provided in this section or section 9 of this chapter. A school corporation may not transfer a student under this section without the prior approval of the child's parent or guardian.

(j) If a school corporation experiences a net financial impact with regard to transfer tuition that is negative for a particular school year as described in IC 6-1.1-19-5.1, the school corporation may appeal for an excessive levy as provided under IC 6-1.1-19-5.1.

SECTION 142. IC 20-10.1-4-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4.5. (a) Notwithstanding IC 20-10.1-1-0.5, this section applies only to public schools (as defined in IC 20-10.1-1-2).

(b) As used in this section, "good citizenship instruction" means integrating into the current curriculum instruction that stresses the nature and importance of the following:

- (1) Being honest and truthful.
- (2) Respecting authority.
- (3) Respecting the property of others.
- (4) Always doing one's personal best.
- (5) Not stealing.
- (6) Possessing the skills necessary to live peaceably in society and not resorting to violence to settle disputes, including methods of conflict resolution.
- (7) Taking personal responsibility for obligations to family and community.
- (8) Taking personal responsibility for earning a livelihood.
- (9) Treating others the way one would want to be treated.
- (10) Respecting the national flag, the Constitution of the United States, and the Constitution of the State of Indiana.
- (11) Respecting one's parents and home.
- (12) Respecting one's self.
- (13) Respecting the rights of others to have their own views and religious beliefs.

(c) The department shall identify and make available to school corporations models of conflict resolution instruction, which may consist of a program of teacher **training education** with application of the techniques to the children in the classroom, to assist school corporations in complying with this section.

SECTION 143. IC 20-10.1-4-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) To:

- (1) educate students on the importance of their future career choices;
  - (2) prepare students for the realities inherent in the work environment; and
  - (3) instill in students work values that will enable them to succeed in their respective careers;
- ~~and beginning with the 1994-95 school year,~~ each school within a school corporation shall include in the school's curriculum for all students in grades 1 through 12 instruction concerning employment matters and work values.

(b) Each school shall:

- (1) integrate within the curriculum instruction that is; or
  - (2) conduct activities or special events periodically that are;
- designed to foster overall career awareness and career development as described in subsection (a).

(c) The department shall develop career awareness and career development models as described in subsection (d) to assist schools in complying with this section.

(d) The models shall be developed in accordance with the following:

- (1) For grades 1 through 5, career awareness models to introduce students to work values and basic employment concepts.



(2) For grades 6 through 8, initial career information models that focus on career choices as they relate to student interest and skills.

(3) For grades 9 through 10, career exploration models that offer students insight into future employment options.

(4) For grades 11 through 12, career preparation models that provide job or further education counseling, including the following:

- (A) Initial job counseling, including the utilization of job service officers to provide school based assessment, information, and guidance on employment options and the rights of students as employees.
- (B) Workplace orientation visits.
- (C) On-the-job experience exercises.

(e) The department, with assistance from the department of labor and the department of workforce development, shall:

- (1) develop and make available teacher guides; and
- (2) conduct seminars or other teacher ~~training~~ **education** activities;

to assist teachers in providing the instruction described in this section.

(f) The department shall, with assistance from the department of workforce development, design and implement innovative career preparation demonstration projects for students in at least grade 9.

SECTION 144. IC 20-10.1-7-12.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12.5. (a) A school corporation may enter into an agreement with:

- (1) another school corporation;
- (2) an accredited nonpublic school; or
- (3) entities described in both subdivisions (1) and (2);

to offer a joint summer school program for high school students under this section.

(b) An agreement under this section must:

- (1) designate one (1) participating school corporation as the local education agency for the joint educational program; and
- (2) specify how the costs of the joint summer school program, including compensation for teachers, will be allocated among the parties to the agreement.

(c) The parties to an agreement under subsection (a) may provide educational programs:

- (1) that are not regularly provided as part of the established curriculum during the school year; and
- (2) for which a student who successfully completes a program may receive high school and college credit under an articulation agreement or dual credit provision under IC 20-10.1-4.4-9, IC 20-12-1-9, or IC 20-12-17.1.

(d) Except as provided in subsection (e), an instructor for an educational program described in subsection (c) must be:

- (1) licensed under IC 20-6.1; or
- (2) granted a substitute teacher's license by the ~~professional standards board~~ **department**.

(e) If the school superintendent of the school corporation that is the local education agency determines that there:

- (1) is not a qualified licensed teacher available from the entities entering into an agreement under subsection (a); and
- (2) is a qualified postsecondary instructor available;

to instruct in an educational program described under subsection (c), the superintendent may request the ~~professional standards board~~ **department** to issue a substitute teacher's license to the instructor of an educational program described in subsection (c).

(f) If the ~~professional standards board~~ **department** finds that there is not a qualified licensed





1 teacher available from the entities entering into an agreement under subsection (a) to instruct in an  
2 educational program described under subsection (c), the ~~professional standards board~~ **department** may  
3 issue a substitute teacher's license to the instructor of an educational program described in subsection  
4 (c).

5 (g) An instructor for an educational program described under subsection (c) must be compensated  
6 at the same rate as that determined for a teacher under IC 20-6.1-4-8 and the local education agency's  
7 contract with certificated employees.

8 (h) The board shall adopt rules under IC 4-22-2 to govern the distribution of state funds for  
9 purposes of this section.

10 SECTION 145. IC 20-10.1-16-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
11 1, 2005]: Sec. 5. (a) The purposes of the ISTEP program developed under this chapter are as follows:

12 (1) To assess the strengths and weaknesses of school performance.

13 (2) To assess the effects of state and local educational programs.

14 (3) To compare achievement of students in Indiana to achievement of students on a national  
15 basis.

16 (4) To provide a source of information for state and local decision makers with regard to  
17 educational matters, including the following:

18 (A) The overall academic progress of students.

19 (B) The need for new or revised educational programs.

20 (C) The need to terminate existing educational programs.

21 (D) Student readiness for postsecondary school experiences.

22 (E) Overall curriculum development and revision activities.

23 (F) Identifying students who may need remediation under IC 20-10.1-17.

24 (G) Diagnosing individual student needs.

25 (H) Teacher **training education** and staff development activities.

26 (b) To carry out the purposes described in subsection (a), each English/language arts and  
27 mathematics test developed for use under ISTEP must include the following:

28 (1) A method of testing basic skills appropriate for the designated grade level, including multiple  
29 choice questions.

30 (2) A method of testing applied skills appropriate for the designated grade level, including short  
31 answer or essay questions and the solving of arithmetic or mathematical problems.

32 (3) A method of testing and grading that will allow comparison with national and international  
33 academic standards.

34 SECTION 146. IC 20-10.2-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
35 2005]: Sec. 1. (a) The ~~professional standards board~~, ~~in consultation with the~~ department shall develop  
36 guidelines for use by accredited teacher **training education** institutions and departments in preparing  
37 individuals to teach in various environments.

38 (b) The guidelines developed under subsection (a) must include courses and methods that assist  
39 individuals in developing cultural competency.

40 SECTION 147. IC 20-10.2-8-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
41 2005]: Sec. 2. The department ~~in consultation with the professional standards board~~, shall develop and  
42 make available to school corporations and nonpublic schools materials that assist teachers,  
43 administrators, and staff in a school in developing cultural competency for use in providing  
44 professional and staff development programs.

45 SECTION 148. IC 20-12-0.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
46 PASSAGE]: Sec. 8. The commission shall have the following powers and duties:

47 (1) To develop, continually keep current, and implement a long range plan for postsecondary  
48 education. In developing this plan, the commission shall take into account the plans and interests



1 of the state private institutions, anticipated enrollments in state postsecondary institutions,  
2 financial needs of students, and other factors pertinent to the quality of educational opportunity  
3 available to the citizens of Indiana. The plan shall define the educational missions and the  
4 projected enrollments of the various state educational institutions.

5 (2) To consult with and make recommendations to the commission on vocational and technical  
6 education within the department of workforce development on all postsecondary vocational  
7 education programs. The commission shall biennially prepare a plan for implementing  
8 postsecondary vocational education programming after considering the long range state plan  
9 developed under IC 20-1-18.3-10. The commission shall submit this plan to the commission on  
10 vocational and technical education within the department of workforce development for its  
11 review and recommendations, and shall specifically report on how the plan addresses preparation  
12 for employment.

13 (3) To make recommendations to the general assembly and the governor concerning the long  
14 range plan, and prepare to submit drafts and proposed legislation needed to implement the plan.  
15 The commission may also make recommendations to the general assembly concerning the plan  
16 for postsecondary vocational education under subdivision (2).

17 (4) To review the legislative request budgets of all state educational institutions preceding each  
18 session of the general assembly and to make recommendations concerning appropriations and  
19 bonding authorizations to state educational institutions including public funds for financial aid  
20 to students by any state agency. The commission may review all programs of any state  
21 educational institution, regardless of the source of funding, and may make recommendations to  
22 the governing board of the institution, the governor, and the general assembly concerning the  
23 funding and the disposition of the programs. In making this review, the commission may request  
24 and shall receive, in such form as may reasonably be required, from all state educational  
25 institutions, complete information concerning all receipts and all expenditures.

26 (5) To submit to the commission on vocational and technical education within the department of  
27 workforce development for its review under IC 20-1-18.3-15 the legislative budget requests  
28 prepared by state educational institutions for state and federal funds for vocational education.  
29 These budget requests shall be prepared upon request of the budget director, shall cover the  
30 period determined by the budget director, and shall be made available to the commission within  
31 the department of workforce development before review by the budget committee.

32 (6) To make, or cause to be made, studies of the needs for various types of postsecondary  
33 education and to make recommendations to the general assembly and the governor concerning  
34 the organization of these programs. The commission shall make or cause to be made studies of  
35 the needs for various types of postsecondary vocational education and shall submit to the  
36 commission on vocational and technical education within the department of workforce  
37 development the commission's findings in this regard.

38 (7) To approve or disapprove the establishment of any new branches, regional or other campuses,  
39 or extension centers or of any new college or school, or the offering on any campus of any  
40 additional associate, baccalaureate, or graduate degree, or of any additional program of two (2)  
41 semesters, or their equivalent in duration, leading to a certificate or other indication of  
42 accomplishment. After March 29, 1971, no state educational institution shall establish any new  
43 branch, regional campus, or extension center or any new or additional academic college, or  
44 school, or offer any new degree or certificate as defined in this subdivision without the approval  
45 of the commission or without specific authorization by the general assembly. Any state  
46 educational institution may enter into contractual agreements with governmental units or with  
47 business and industry for specific programs to be wholly supported by the governmental unit or  
48 business and industry without the approval of the commission.



(8) If so designated by the governor or the general assembly, to serve as the agency for the purposes of receiving or administering funds available for postsecondary education programs, projects, and facilities for any of the acts of the United States Congress where the acts of Congress require the state to designate such an agency or commission. However, this subdivision does not provide for the designation of the commission by the governor as the recipient of funds which may be provided by acts of the United States Congress, received by an agency, a board, or a commission designated by the general assembly.

(9) To designate and employ an executive officer and necessary employees, to designate the titles of the executive officer and necessary employees, and to fix the compensation in terms of the employment.

(10) To appoint appropriate advisory committees composed of representatives of state educational institutions, representatives of private colleges and universities, students, faculty, and other qualified persons.

(11) To employ all powers properly incident to or connected with any of the foregoing purposes, powers, or duties, including the power to adopt rules.

(12) To develop a definition for and report biennially to the:

(A) general assembly;

(B) governor; and

(C) commission on vocational and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state vocational education. A report under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.

(13) To submit a report to the legislative council not later than August 30 of each year on the status of the transfer of courses and programs between state educational institutions. The report must include any changes made during the immediately preceding academic year.

(14) To direct the activities of the committee, including the activities set forth in subdivisions (15) and (16).

(15) To develop through the committee statewide transfer of credit agreements for courses that are most frequently taken by undergraduates.

(16) To develop through the committee statewide agreements under which associate of arts and associate of science programs articulate fully with related baccalaureate degree programs.

(17) To publicize by all appropriate means, including an Internet web site, a master list of course transfer of credit agreements and program articulation agreements.

**(18) To establish, with the assistance of the committee, a statewide core transfer library of at least seventy (70) courses that are transferable on all campuses of the state educational institutions in accordance with the principles in section 13 of this chapter.**

**(19) To establish, with the assistance of the committee, articulation agreements for at least twelve (12) degree programs:**

**(A) for which articulation agreements apply to any campus in the Ivy Tech State College system and to Vincennes University; and**

**(B) that draw from liberal arts and the technical, professional, and occupational fields.**

SECTION 149. IC 20-12-0.5-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13. (a) The commission shall exercise its powers and duties under section 8 of this chapter in a manner to facilitate the use of:**

**(1) the core transfer library established under section 8(18) of this chapter at state educational institutions; and**

**(2) at least twelve (12) degree programs established under section 8(19) of this chapter at Ivy Tech State College and Vincennes University.**



(b) The core transfer library developed under section 8(18) of this chapter shall be developed in accordance with the following principles:

(1) Each course in the core transfer library must transfer in and apply toward meeting degree requirements in the same way as the receiving state educational institution's equivalent course.

(2) Courses in the core transfer library must draw primarily from the liberal arts but must include introductory or foundational courses in technical, professional, and occupational fields.

(3) At least seventy (70) courses must be identified for inclusion in the core transfer library. The identified courses must emphasize the courses most frequently taken by undergraduates.

(4) With respect to core transfer library courses being transferred from a state educational institution to Indiana University or Purdue University, Indiana University and Purdue University must identify transfer equivalents so that a course accepted by one (1) regional campus will be accepted by all other regional campuses that offer the same transfer equivalent course.

(5) Within the Indiana University system and Purdue University system, equivalent courses, including courses with the same course number and title, must count in the same way at all campuses within the system where the course is offered.

(c) The commission shall adopt rules under IC 4-22-2 and prescribe procedures to facilitate the use of the core transfer library established under section 8(18) of this chapter, including designating courses in the course transfer library in the materials that colleges and universities use to communicate widely with students, such as online catalogs and course schedules, and at least twelve (12) degree programs established under section 8(19) of this chapter.

SECTION 150. IC 20-12-1-12 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 12. (a) This section applies notwithstanding IC 20-12-23-2, IC 20-12-36-4, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5.

(b) As used in this section, "academic year" has the meaning set forth in IC 20-12-76-1.

(c) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(d) A state educational institution shall set tuition and fee rates for a two (2) year period. The rates shall be set according to the procedure set forth in subsection (e) and:

(1) on or before May 30 of the odd numbered year; or

(2) thirty (30) days after the state budget bill is enacted into law; whichever is later.

(e) A state educational institution shall hold a public hearing before adopting any proposed tuition and fee rate increases. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice shall include the specific proposal for tuition and fee rate increases and the expected uses of the revenue to be raised by the proposed increases. The hearing shall be held:

(1) on or before May 15 of each odd numbered year; or

(2) fifteen (15) days after the state budget bill is enacted into law; whichever is later.

(f) After a state educational institution's tuition and fee rates are set under this section, the state educational institutions may adjust the tuition and fee rates only if appropriations to the state educational institution in the state budget act are reduced or withheld.

(g) If a state educational institution adjusts its tuition and fee rates under subsection (f), the



1 total revenue generated by the tuition and fee rate adjustment must not exceed the amount by  
2 which appropriations to the state educational institution in the state budget act were reduced  
3 or withheld.

4 SECTION 151. IC 20-12-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
5 2005]: Sec. 2. (a) In addition to projects authorized by the general assembly, the trustees of each higher  
6 education institution may engage in any of the following projects so long as there are funds available  
7 for the project and the project meets any of the applicable conditions:

8 (1) Each project to construct buildings or facilities of a cost greater than ~~two~~ **five** hundred  
9 thousand dollars (~~\$200,000~~); (~~\$500,000~~), or to purchase or lease-purchase land, buildings, or  
10 facilities the principal value of which exceeds ~~one two~~ **fifty** thousand dollars (~~\$100,000~~);  
11 (~~\$250,000~~), must be reviewed by the commission for higher education and approved by the  
12 governor upon recommendation of the budget agency. If any part of the cost of the project as  
13 specified in section 3 of this chapter is paid by state appropriated funds or by mandatory student  
14 fees assessed all students and if the project is to construct buildings or facilities of a cost greater  
15 than five hundred thousand dollars (\$500,000), or to purchase or lease-purchase land, buildings,  
16 or facilities the principal value of which exceeds three hundred thousand dollars (\$300,000), the  
17 project must also be approved by the general assembly. Nothing herein limits the trustees in  
18 supplementing projects approved by the general assembly from gifts or other available funds so  
19 long as approval for the expansion of projects is given by the governor on review by the  
20 commission for higher education and recommendation of the budget agency.

21 (2) Each repair and rehabilitation project must be reviewed by the commission for higher  
22 education and approved by the governor, on recommendation of the budget agency, if the cost  
23 of the project exceeds ~~five seven~~ **fifty** hundred thousand dollars (~~\$500,000~~) (~~\$750,000~~) and if any  
24 part of the cost of the project is paid by state appropriated funds or by mandatory student fees  
25 assessed all students. If no part of the cost of the repair and rehabilitation project is paid by state  
26 appropriated funds or by mandatory student fees assessed all students, the review and approval  
27 requirements of this subdivision apply only if the project exceeds one million dollars  
28 (\$1,000,000).

29 (3) Each project to lease, other than a project to lease-purchase, a building or facility must be  
30 reviewed by the commission for higher education and approved by the governor, on  
31 recommendation of the budget agency, if the annual cost of the project exceeds **one hundred**  
32 **fifty** thousand dollars (~~\$50,000~~); (~~\$150,000~~).

33 (b) The review and approval requirements of subsection (a)(1) do not apply to a project to construct  
34 buildings or facilities or to purchase or lease-purchase land, buildings, or facilities if the project  
35 involves the expansion or improvement of housing for students undertaken entirely by a fraternity or  
36 sorority at the state educational institution.

37 SECTION 152. IC 20-12-5.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
38 2005]: Sec. 6. The state budget agency may refer to the state budget committee **any** budgetary ~~and~~ **or**  
39 fiscal ~~matters~~ **matter** under this chapter for which it would like an advisory recommendation **if the**  
40 **cost or principal value of the matter exceeds the amount otherwise specified in this chapter for**  
41 **the matter**. If a matter is referred to the state budget committee, it shall hold hearings, may exercise  
42 any powers under IC 4-12-1-11, and shall make an advisory recommendation to the budget agency.  
43 The advisory recommendation may recommend that the matter as referred be approved, disapproved,  
44 referred to the general assembly, or resolved in another way.

45 SECTION 153. IC 20-12-30.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
46 1, 2005]: Sec. 2. The Indiana Statewide Medical Education System shall include, but not be limited  
47 to, centers for comprehensive medical education established in cooperation with existing medical and  
48 educational institutions in Gary, Fort Wayne, Lafayette, Evansville, South Bend, Terre Haute, and



1 Muncie, Indiana. These centers shall be known separately and respectively as **Indiana University**  
2 **School of Medicine-Northwest (on the campus of Indiana University-Northwest)**, ~~Center for~~  
3 ~~Medical Education at Gary~~, **Indiana University School of Medicine- Fort Wayne (on the campus**  
4 **of Indiana University-Purdue University Fort Wayne)**, ~~Center for Medical Education~~, **Indiana**  
5 **University School of Medicine-Lafayette (on the campus of Purdue University)**, ~~Center for~~  
6 ~~Medical Education at Purdue University~~, **Indiana University School of Medicine-Evansville (on the**  
7 **campus of the University of Southern Indiana)**, ~~Center for Medical Education~~, **Indiana University**  
8 **School of Medicine- South Bend (on the campus of the University of Notre Dame)**, ~~Center for~~  
9 ~~Medical Education~~, **Indiana University School of Medicine-Terre Haute (on the campus of Indiana**  
10 **State University)**, ~~Center for Medical Education at Indiana State University~~, and **Indiana University**  
11 **School of Medicine-Muncie (on the campus of Ball State University)**. ~~Center for Medical~~  
12 ~~Education at Ball State University~~.

13 SECTION 154. IC 21-1-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY  
14 1, 2005 (RETROACTIVE)]: Sec. 3. (a) The Indiana state board of education is authorized to advance  
15 money to school corporations and school townships from the common school fund to be used for  
16 school building construction and educational technology programs as provided in this chapter.

17 (b) As used in this chapter, "school building construction program" means the purchase, lease, or  
18 financing of land, the construction and equipping of school buildings, and the remodeling, repairing,  
19 or improving of school buildings by a school corporation or school township:

20 (1) that sustained loss by fire, wind, cyclone, or other disaster of all or a major portion of a school  
21 building or school buildings;

22 (2) whose assessed valuation per pupil ~~ADA~~ **ADM** is within the lowest forty percent (40%) of  
23 the assessed valuation per pupil ~~ADA~~ **ADM** when compared to all school corporation or school  
24 township assessed valuation per pupil ~~ADA~~; **ADM**; or

25 (3) with an advance under this chapter outstanding on July 1, 1993, that bears interest at least  
26 seven and one-half percent (7.5%).

27 However, as used in this chapter, the term does not include facilities used or to be used primarily for  
28 interscholastic or extracurricular activities.

29 (c) As used in this chapter, "educational technology program" means the purchase, lease, or  
30 financing of educational technology equipment, the operation of the educational technology  
31 equipment, and the training of teachers in the use of the educational technology equipment.

32 SECTION 155. IC 21-1-30-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY  
33 1, 2005 (RETROACTIVE)]: Sec. 2. For purposes of computation under this chapter, the following  
34 shall be used:

35 (1) Kindergarten pupils shall be counted as five-tenths (0.5). All other pupils shall be counted as  
36 one (1).

37 (2) The number of pupils shall be the number of pupils used in determining ADM, as defined by  
38 IC 21-3-1.6, for the current year.

39 (3) The staff cost amount for a school corporation is sixty-nine thousand eight hundred eleven  
40 dollars (\$69,811).

41 (4) The guaranteed amount for a school corporation is the primetime allocation, before any  
42 penalty is assessed under this chapter, that the school corporation would have received under this  
43 chapter for the 1999 calendar year **or the first year of participation in the program, whichever**  
44 **is later.**

45 ~~(5) The at-risk index is the index determined under IC 21-3-1.6-1.1.~~

46 ~~(6)~~ **(5)** The following apply to determine whether amounts received under this chapter have been  
47 devoted to reducing class size in kindergarten through grade 3 as required by section 3(b) of this  
48 chapter:



(A) Except as permitted under section 5.5 of this chapter, only a licensed teacher who is an actual classroom teacher in a regular instructional program is counted as a teacher.

(B) If a school corporation is granted approval under section 5.5 of this chapter, the school corporation may include as one-third (1/3) of a teacher each classroom instructional aide who meets qualifications and performs duties prescribed by the Indiana state board of education.

~~(7)~~ (6) The complexity index is the index determined under IC 21-3-1.7-6.7.

SECTION 156. IC 21-1-30-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) The amount to be distributed to a school corporation under this chapter is the amount determined by the following formula:

~~STEP ONE:~~ For a calendar year ending before January 1, 2004, determine the applicable target pupil teacher ratio for the school corporation as follows:

(A) If the school corporation's at-risk index is less than seventeen hundredths (0.17), the school corporation's target pupil teacher ratio is eighteen to one (18:1).

(B) If the school corporation's at-risk index is at least seventeen hundredths (0.17) but less than twenty-seven hundredths (0.27), the school corporation's target pupil teacher ratio is fifteen (15) plus the result determined in item (iii):

(i) Determine the result of twenty-seven hundredths (0.27) minus the school corporation's at-risk index.

(ii) Determine the item (i) result divided by one-tenth (0.1).

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's at-risk index is at least twenty-seven hundredths (0.27), the school corporation's target pupil teacher ratio is fifteen to one (15:1).

~~STEP TWO:~~ **ONE:** For a calendar year beginning after December 31, ~~2003~~, **2004**, determine the applicable target pupil teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than **one and one-tenth (0.1)**, **(1.1)**, the school corporation's target pupil teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least **one and one-tenth (0.1)** **(1.1)** but less than **one and two-tenths (0.2)**, **(1.2)**, the school corporation's target pupil teacher ratio is fifteen (15) plus the result determined in item (iii):

(i) Determine the result of **one and two-tenths (0.2)** **(1.2)** minus the school corporation's complexity index.

(ii) Determine the item (i) result divided by one-tenth (0.1).

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's complexity index is at least **one and two-tenths (0.2)**, **(1.2)**, the school corporation's target pupil teacher ratio is fifteen to one (15:1).

~~STEP THREE:~~ **TWO:** Determine the result of:

(A) the ADM of the school corporation, as determined under section 2(2) of this chapter, in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's applicable target pupil teacher ratio, as determined in STEP ONE. ~~or STEP TWO:~~

~~STEP FOUR:~~ **THREE:** Determine the result of:

(A) the total regular general fund revenue (the amount determined in ~~IC 21-3-1.7-8.2(b) STEP ONE or IC 21-3-1.7-8.2(c) STEP ONE~~) **STEP ONE of IC 21-3-1.7-8.2(c) for 2005 and STEP ONE of IC 21-3-1.7-8.2(a) for 2006 and 2007**) multiplied by seventy-five hundredths (0.75); divided by

(B) the school corporation's total ADM.

~~STEP FIVE:~~ **FOUR:** Determine the result of:

(A) the ~~STEP FOUR~~ **THREE** result; multiplied by



(B) the ADM of the school corporation, as determined under section 2(2) of this chapter in kindergarten through grade 3 for the current school year.

**STEP ~~SIX~~ FIVE:** Determine the result of:

(A) the ~~STEP FIVE~~ **FOUR** result; divided by

(B) the staff cost amount.

~~STEP SEVEN~~ **SIX:** Determine the greater of zero (0) or the result of:

(A) the ~~STEP THREE~~ **TWO** amount; minus

(B) the ~~STEP SIX~~ **FIVE** amount.

~~STEP EIGHT~~ **SEVEN:** Determine the result of:

(A) the ~~STEP SEVEN~~ **SIX** amount; multiplied by

(B) the staff cost amount.

~~STEP NINE~~ **EIGHT:** Determine the greater of the ~~STEP EIGHT~~ **SEVEN** amount or the school corporation's guaranteed amount.

~~STEP TEN~~ **NINE:** **A school corporation's STEP NINE amount is the following:**

(A) If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), ~~determine the STEP NINE amount~~ **is the lesser of:**

~~(A) (i)~~ the ~~STEP NINE~~ **EIGHT** amount; or

~~(B) (ii)~~ the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).

**(B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the STEP NINE amount is the STEP EIGHT amount.**

(b) The amount received under this chapter shall be devoted to reducing class size in kindergarten through grade 3. A school corporation shall compile class size data for kindergarten through grade 3 and report the data to the department of education for purposes of maintaining compliance with this chapter.

SECTION 157. IC 21-1-30-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires January 1, ~~2006~~ **2008**.

SECTION 158. IC 21-2-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The governing body of each school corporation in Indiana shall establish a debt service fund for the payment of:

(1) all debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction;

(2) a lease to provide capital construction;

(3) interest on emergency and temporary loans;

(4) all debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-9.1-6-5, for that purpose;

(5) all debt and other obligations arising out of funds borrowed to pay judgments against the school corporation; ~~or~~

(6) all debt and other obligations arising out of funds borrowed to purchase equipment; ~~or~~

**(7) all unreimbursed costs of textbooks for the school corporation's students who were eligible for free or reduced lunches in the previous school year.**

The term "debt service" shall include but not be limited to lease rental obligations, school bonds and coupons and civil bond obligations assumed by school corporations reorganized pursuant to IC 20-4-1, and any interest cost on emergency and temporary loans but shall not include the repayment of the principal of the emergency and temporary loans obtained for benefit of any other fund. All receipts and disbursements authorized by law for school funds and tax levies for the lease rental fund, bond





1 fund, sinking fund, civil bond obligation fund, and payment of interest on emergency and temporary  
2 loans shall be received in and disbursed from the debt service fund. **The governing body may**  
3 **transfer the amount levied to cover unreimbursed costs of textbooks under subdivision (7) to the**  
4 **textbook rental fund or extracurricular account.**

5 SECTION 159. IC 21-2-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
6 2005]: Sec. 3. A tax levy shall be established by the governing body of each school corporation for  
7 the 1968 calendar year and all succeeding calendar years sufficient to pay all debt service obligations  
8 **and for textbooks covered by section 2(7) of this chapter.** If the advertised levy is insufficient to  
9 produce revenue to meet all debt service obligations for any calendar year, the department of local  
10 government finance is hereby authorized to establish a levy greater than advertised, if necessary, to  
11 meet such obligations.

12 SECTION 160. IC 21-2-5.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
13 2005]: Sec. 3. This section applies to self-insurance funds permitted to be established under section  
14 1(1) of this chapter and self-insurance funds required to be established under section 1(2) of this  
15 chapter. Subject to the approval of the commissioner of the department of insurance, the governing  
16 body of the school corporation is authorized to:

- 17 (1) transfer to the self-insurance fund an amount of money in:  
18 (A) the general fund budget; and  
19 (B) the general fund tax levy and rate;  
20 (2) transfer monies from the general fund to the self-insurance fund; ~~or~~  
21 (3) appropriate monies from the general fund for the self-insurance fund; **or**  
22 **(4) to the extent that money in the capital projects fund may be used for property or**  
23 **casualty insurance, transfer money from the capital projects fund to the self-insurance**  
24 **fund.**

25 SECTION 161. IC 21-2-11-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
26 2005]: Sec. 4. (a) Any lawful school expenses payable from any other fund of the school corporation,  
27 including without limitation debt service and capital outlay, but excluding costs attributable to  
28 transportation (as defined in IC 21-2-11.5-2), may be budgeted in and paid from the general fund.  
29 However, after June 30, ~~2003~~, **2005**, and before July 1, ~~2005~~, **2007**, a school corporation may budget  
30 for and pay costs attributable to transportation (as defined in IC 21-2-11.5-2) from the general fund.

31 (b) In addition, remuneration for athletic coaches (whether or not they are otherwise employed by  
32 the school corporation and whether or not they are licensed under IC 20-6.1-3) may be budgeted in and  
33 paid from the school corporation's general fund.

34 **(c) This subsection applies only to the extent that the school corporation's transportation fund**  
35 **has not been adjusted by the department of local government finance to reflect the termination**  
36 **of state distributions for the school corporation's transportation fund.** During the period  
37 beginning July 1, ~~2003~~, **2005**, and ending June 30, ~~2005~~, **2007**, the school corporation may transfer  
38 money in a fund maintained by the school corporation (other than the special education preschool fund  
39 (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2)) that is obtained from:

- 40 (1) a source other than a state distribution or local property taxation; or  
41 (2) a state distribution or a property tax levy that is required to be deposited in the fund;  
42 to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property  
43 tax levy for the fund from which the money is transferred or the fund to which money is transferred.  
44 Money transferred under this subsection may be used only to pay costs, including debt service,  
45 attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including  
46 reimbursements associated with transportation costs for special education and vocational programs  
47 under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 **(repealed)**. The property tax levy for a  
48 fund from which money was transferred may not be increased to replace the money transferred to



1 another fund.

2 (d) The total amount transferred under subsection (c) may not exceed, ~~the following: for the period~~  
3 **beginning July 1, 2005, and ending June 30, 2007:**

4 (1) For the period beginning July 1, 2003; and ending June 30, 2004; the total amount of state  
5 funding received for transportation distributions under IC 21-3-3.1; including reimbursements  
6 associated with transportation costs for special education and vocational programs under  
7 IC 21-3-3.1-4; and ADA flat grants under IC 21-3-4.5 for the same period: ~~state transportation~~  
8 **distribution for the state fiscal year ending June 30, 2004; multiplied by**

9 **(2) two (2).**

10 (2) For the period beginning July 1, 2004; and ending June 30, 2005; the product of:

11 (A) the amount determined under subdivision (1); multiplied by

12 (B) two (2).

13 SECTION 162. IC 21-2-11.6-4 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO**  
14 **READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) This section applies to a**  
15 **school corporation that:**

16 (1) **had a referendum tax levy fund in 2003 as the result of the imposition of a referendum**  
17 **tax levy after 2001; and**

18 (2) **added an amount to the school corporation's base tax levy in 1986 as the result of the**  
19 **approval of an excessive tax levy by the majority of individuals voting in a referendum held**  
20 **in the area served by the school corporation under IC 6-1.1-19.**

21 **(b) The following definitions apply throughout this section:**

22 (1) **"Base tax levy" has the meaning set forth in IC 6-1.1-19-1.**

23 (2) **"Excessive tax levy" has the meaning set forth in IC 6-1.1-19-1.**

24 (c) **The power of the school corporation to levy the amount described in subsection (a)(2) is**  
25 **transferred from the school corporation's general fund to the school corporation's referendum**  
26 **tax levy fund. After 2005, the school corporation may levy an additional amount for the**  
27 **referendum tax levy fund that does not exceed the amount of the excess tax levy added to the**  
28 **school corporation's base tax levy in 1986. The power of the school corporation to impose the**  
29 **levy described in this subsection does not expire.**

30 (d) **The school corporation's referendum tax levy under subsection (c) may not be considered**  
31 **in the determination of the school corporation's state tuition support under IC 21-3-1.7 or the**  
32 **determination of the school corporation's maximum general fund tax levy under IC 6-1.1-19 and**  
33 **IC 21-3-1.7.**

34 SECTION 163. IC 21-2-15-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY  
35 1, 2006]: Sec. 4. (a) As used in this subsection, "calendar year distribution" means the sum of:

36 (1) all distributions to a school corporation under:

37 (A) IC 6-1.1-19-1.5;

38 (B) IC 21-1-30;

39 (C) IC 21-3-1.7;

40 (D) IC 21-3-2.1; and

41 (E) IC 21-3-12;

42 for the calendar year; plus

43 (2) the school corporation's excise tax revenue (as defined in IC 21-3-1.7-2) for the immediately  
44 preceding calendar year.

45 (b) A school corporation may establish a capital projects fund.

46 (c) With respect to any facility used or to be used by the school corporation (other than a facility  
47 used or to be used primarily for interscholastic or extracurricular activities, except as provided in  
48 subsection (j)), the fund may be used to pay for the following:



- 1 (1) Planned construction, repair, replacement, or remodeling.
- 2 (2) Site acquisition.
- 3 (3) Site development.
- 4 (4) Repair, replacement, or site acquisition that is necessitated by an emergency.
- 5 (d) The fund may be used to pay for the purchase, lease, repair, or maintenance of equipment to be
- 6 used by the school corporation (other than vehicles to be used for any purpose and equipment to be
- 7 used primarily for interscholastic or extracurricular activities, except as provided in subsection (j)).
- 8 (e) The fund may be used for any of the following purposes:
- 9 (1) To purchase, lease, upgrade, maintain, or repair one (1) or more of the following:
- 10 (A) Computer hardware.
- 11 (B) Computer software.
- 12 (C) Wiring and computer networks.
- 13 (D) Communication access systems used to connect with computer networks or electronic
- 14 gateways.
- 15 (2) To pay for the services of full-time or part-time computer maintenance employees.
- 16 (3) To conduct nonrecurring inservice technology training of school employees.
- 17 (4) To fund the payment of advances, together with interest on the advances, from the common
- 18 school fund for educational technology programs under IC 21-1-5.
- 19 (5) To fund the acquisition of any equipment or services necessary:
- 20 (A) to implement the technology preparation curriculum under IC 20-10.1-5.6;
- 21 (B) to participate in a program to provide educational technologies, including computers, in
- 22 the homes of students (commonly referred to as "the buddy system project") under
- 23 IC 20-10.1-25, the 4R's technology program under IC 20-10.1-25, or any other program under
- 24 the educational technology program described in IC 20-10.1-25; or
- 25 (C) to obtain any combination of equipment or services described in clauses (A) and (B).
- 26 (f) The fund may be used to purchase:
- 27 (1) building sites;
- 28 (2) buildings in need of renovation;
- 29 (3) building materials; and
- 30 (4) equipment;
- 31 for the use of vocational building trades classes to construct new buildings and to remodel existing
- 32 buildings.
- 33 (g) The fund may be used for leasing or renting of existing real estate, excluding payments
- 34 authorized under IC 21-5-11 and IC 21-5-12.
- 35 (h) The fund may be used to pay for services of the school corporation employees that are
- 36 bricklayers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers,
- 37 painters, paperhangers, drywall applicators and tapers, plasterers, pipe fitters, roofers, structural and
- 38 steel workers, metal building assemblers, heating and air conditioning installers, welders, carpenters,
- 39 electricians, or plumbers, as these occupations are defined in the United States Department of Labor,
- 40 Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised
- 41 1991, if:
- 42 (1) the employees perform construction of, renovation of, remodeling of, repair of, or
- 43 maintenance on the facilities and equipment specified in subsections (b) and (c);
- 44 (2) the school corporation's total annual salary and benefits paid by the school corporation to
- 45 employees described in this subsection are at least six hundred thousand dollars (\$600,000); and
- 46 (3) the payment of the employees described in this subsection is included as part of the proposed
- 47 capital projects fund plan described in section 5(a) of this chapter.
- 48 However, the number of employees that are covered by this subsection is limited to the number of



employee positions described in this subsection that existed on January 1, 1993. For purposes of this subsection, maintenance does not include janitorial or comparable routine services normally provided in the daily operation of the facilities or equipment.

(i) The fund may be used to pay for energy saving contracts entered into by a school corporation under IC 36-1-12.5.

(j) Money from the fund may be used to pay for the construction, repair, replacement, remodeling, or maintenance of a school sports facility. However, a school corporation's expenditures in a calendar year under this subsection may not exceed five percent (5%) of the property tax revenues levied for the fund in the calendar year.

(k) Money from the fund may be used to carry out a plan developed under IC 20-10.1-33.

(l) This subsection applies during the period beginning January 1, ~~2004~~, **2006**, and ending December 31, ~~2005~~; **2007**. Money from the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation:

(1) Utility services.

(2) Property or casualty insurance.

(3) Both utility services and property or casualty insurance.

In the 2004 calendar year, a school corporation's expenditures under this subsection may not exceed one percent (1%) of the school corporation's 2003 calendar year distribution. In the 2005 calendar year, A school corporation's expenditures under this subsection may not exceed two percent (2%) of the school corporation's ~~2003~~ **previous** calendar year distribution.

(m) Notwithstanding subsection (l); a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution if the school corporation's 2004 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution is the least of the following:

(1) One percent (1%) of the school corporation's 2003 calendar year distribution.

(2) The greater of zero (0) or the difference between:

(A) the sum of:

(i) the school corporation's calendar year distribution;

(ii) the amount determined for the school corporation under subsection (l); plus

(iii) the amount determined for the school corporation under this subsection; if any;

for the immediately preceding calendar year; minus

(B) the school corporation's calendar year distribution for the calendar year.

(3) The difference between:

(A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus

(B) the amount determined for the school corporation under subsection (l) for the calendar year.

(n) Notwithstanding subsection (l); a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution if the school corporation's 2005 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution is the least of the following:

(1) Two percent (2%) of the school corporation's 2003 calendar year distribution.

(2) The greater of zero (0) or the difference between:

(A) the sum of:



- 1 (i) the school corporation's calendar year distribution;  
2 (ii) the amount determined for the school corporation under subsection (f); plus  
3 (iii) the amount determined for the school corporation under this subsection, if any;  
4 for the immediately preceding calendar year; minus  
5 (B) the school corporation's calendar year distribution for the calendar year.  
6 (3) The difference between:  
7 (A) one hundred percent (100%) of the school corporation's costs for utility services and  
8 property or casualty insurance; minus  
9 (B) the amount determined for the school corporation under subsection (f) for the calendar  
10 year.

11 SECTION 164. IC 21-3-1.6-1.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JANUARY 1, 2005 (RETROACTIVE)]: Sec. 1.1. As used in this chapter:

13 (a) "School corporation" means any local public school corporation established under Indiana law.  
14 Except as otherwise indicated, the term includes a charter school.

15 (b) "School year" means a year beginning July 1 and ending the next succeeding June 30.

16 (c) "State distribution" due a school corporation means the amount of state funds to be distributed  
17 to a school corporation in any calendar year under this chapter.

18 (d) "Average daily membership" or "ADM" of a school corporation means the number of eligible  
19 pupils enrolled in the school corporation or in a transferee corporation on a day to be fixed annually  
20 by the Indiana state board of education and ~~beginning in the school year that ends in the 2005 calendar~~  
21 ~~year~~, as subsequently adjusted not later than January 30 under the rules adopted by the state board of  
22 education. The initial day of the count shall fall within the first thirty (30) days of the school term. If,  
23 however, extreme patterns of student in-migration, illness, natural disaster, or other unusual conditions  
24 in a particular school corporation's enrollment on either the day fixed by the Indiana state board of  
25 education or on the subsequent adjustment date, cause the enrollment to be unrepresentative of the  
26 school corporation's enrollment throughout a school year, the Indiana state board of education may  
27 designate another day for determining the school corporation's enrollment. The Indiana state board of  
28 education shall monitor changes that occur after the fall count, in the number of students enrolled in  
29 programs for children with disabilities and shall, before December 2 of that same year and, beginning  
30 in the 2004 calendar year, before April 2 of the following calendar year, make an adjusted count of  
31 students enrolled in programs for children with disabilities. The superintendent of public instruction  
32 shall certify the December adjusted count to the budget committee before February 5 of the following  
33 year and the April adjusted count not later than May 31 immediately after the date of the April  
34 adjusted count. In determining the ADM, each kindergarten pupil shall be counted as one-half (1/2)  
35 pupil. Where a school corporation commences kindergarten in a school year, the ADM of the current  
36 and prior calendar years shall be adjusted to reflect the enrollment of the kindergarten pupils. In  
37 determining the ADM, each pupil enrolled in a public school and a nonpublic school is to be counted  
38 on a full-time equivalency basis as provided in section 1.2 of this chapter.

39 (e) "Additional count" of a school corporation, or comparable language, means the aggregate of the  
40 additional counts of the school corporation for certain pupils as set out in section 3 of this chapter  
41 (repealed) and as determined at the times for calculating ADM. "Current additional count" means the  
42 initial computed additional count of the school corporation for the school year ending in the calendar  
43 year. "Prior year additional count" of a school corporation used in computing its state distribution in  
44 a calendar year means the initial computed additional count of the school corporation for the school  
45 year ending in the preceding calendar year.

46 (f) For purposes of this subsection, "school corporation" does not include a charter school.  
47 "Adjusted assessed valuation" of any school corporation used in computing state distribution for a  
48 calendar year means the assessed valuation in the school corporation, adjusted as provided in



1 IC 6-1.1-34. The amount of the valuation shall also be adjusted downward by the department of local  
2 government finance to the extent it consists of real or personal property owned by a railroad or other  
3 corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101  
4 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is  
5 delinquent in payment of its Indiana real and personal property taxes for the year to which the  
6 valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment  
7 of the delinquent taxes, then the state superintendent of public instruction shall prescribe adjustments  
8 in the distributions of state funds pursuant to this chapter as are thereafter to become due to a school  
9 corporation affected by the delinquency as will ensure that the school corporation will not have been  
10 unjustly enriched under the provisions of P.L.382-1987(ss). The amount of the valuation shall also be  
11 adjusted downward by the department of local government finance to the extent it consists of real or  
12 personal property described in IC 6-1.1-17-0.5(b).

13 (g) "General fund" means a fund established under IC 21-2-11-2.

14 (h) "Teacher" means every person who is required as a condition of employment by a school  
15 corporation to hold a teacher's license issued or recognized by the state, except substitutes and any  
16 person paid entirely from federal funds.

17 (i) For purposes of this subsection, "school corporation" does not include a charter school. "Teacher  
18 ratio" of a school corporation used in computing state distribution in any calendar year means the ratio  
19 assigned to the school corporation pursuant to section 2 of this chapter.

20 (j) "Eligible pupil" means a pupil enrolled in a school corporation if:

21 (1) the school corporation has the responsibility to educate the pupil in its public schools without  
22 the payment of tuition;

23 (2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition  
24 under IC 20-8.1-6.1, because the pupil is transferred for education to another school corporation  
25 (the "transferee corporation");

26 (3) the pupil is enrolled in a school corporation as a transfer student under IC 20-8.1-6.1-3 or  
27 entitled to be counted for ADM or additional count purposes as a resident of the school  
28 corporation when attending its schools under any other applicable law or regulation;

29 (4) the state is responsible for the payment of transfer tuition to the school corporation for the  
30 pupil under IC 20-8.1-6.1; or

31 (5) all of the following apply:

32 (A) The school corporation is a transferee corporation.

33 (B) The pupil does not qualify as a qualified pupil in the transferee corporation under  
34 subdivision (3) or (4).

35 (C) The transferee corporation's attendance area includes a state licensed private or public  
36 health care facility, child care facility, or foster family home where the pupil was placed:

37 (i) by or with the consent of the division of family and children;

38 (ii) by a court order;

39 (iii) by a child placing agency licensed by the division of family and children; or

40 (iv) by a parent or guardian under IC 20-8.1-6.1-5.

41 For purposes of IC 21-3-12, the term includes a student enrolled in a charter school.

42 (k) "General fund budget" of a school corporation means the amount of the budget approved for  
43 a given year by the department of local government finance and used by the department of local  
44 government finance in certifying a school corporation's general fund tax levy and tax rate for the  
45 school corporation's general fund as provided for in IC 21-2-11. The term does not apply to a charter  
46 school.

47 (l) "At risk index" means the following:

48 (1) For a school corporation that is not a charter school, the sum of:



(A) the product of sixteen-hundredths (0.16) multiplied by the percentage of families in the school corporation with children who are less than eighteen (18) years of age and who have a family income below the federal income poverty level (as defined in IC 12-15-2-1);

(B) the product of four-tenths (0.4) multiplied by the percentage of families in the school corporation with a single parent; and

(C) the product of forty-four hundredths (0.44) multiplied by the percentage of the population in the school corporation who are at least twenty (20) years of age with less than a twelfth grade education.

The data to be used in making the calculations under this subdivision must be the data from the 2000 federal decennial census.

(2) For a charter school, the index determined under subdivision (1) for the school corporation in which the charter school is located:

(m) (I) "ADM of the previous year" or "ADM of the prior year" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the preceding calendar year.

(n) (m) "Current ADM" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the calendar year.

SECTION 165. IC 21-3-1.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 2. (a) As used in this chapter, "excise tax revenue" means the amount sum of:

(1) financial institution excise tax revenue (IC 6-5.5); ~~plus~~

(2) ~~the~~ motor vehicle excise taxes (IC 6-6-5); ~~and the~~

(3) commercial vehicle excise taxes (IC 6-6-5.5);

(4) ~~boat excise tax (IC 6-6-11); and~~

(5) ~~aircraft excise tax (IC 6-6-6.5);~~

the school corporation received for deposit in the school corporation's general fund in a year **or would have received for deposit in the school corporation's general fund in a year if the settlement of property taxes first due and payable in the year had been made on the schedule required under IC 6-1.1-27-1.** The excise tax revenue for a charter school is zero (0).

(b) **Not later than January 15 each year, the department of local government finance shall certify to the department of education the amount of each school corporation's excise tax revenue for the immediately preceding year. In 2006, the department of local government finance shall certify to the department of education the amount of each school corporation's excise tax revenue for both 2004 and 2005. The department of education may rely on the excise tax revenue amounts certified by the department of local government finance under this subsection in making calculations under this chapter.**

SECTION 166. IC 21-3-1.7-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3.1. (a) As used in this chapter, "previous year revenue" for calculations with respect to a school corporation equals:

(1) the school corporation's tuition support for regular programs, including basic tuition support, and excluding:

(A) special education grants;

(B) vocational education grants;

~~(C) at-risk programs;~~

~~(D) the enrollment adjustment grant;~~

~~(E) (C) the academic honors diploma award; and~~

~~(F) (D) the primetime distribution; and~~

~~(G) for 2005 and thereafter, the supplemental remediation grant;~~



for the year that precedes the current year; plus  
 (2) the school corporation's tuition support levy for the year that precedes the current year before the reductions required under section 5(1) and 5(2) of this chapter; plus  
~~(3) distributions received by the school corporation under IC 6-1.1-21.6 for the year that precedes the current year; plus~~  
~~(4) (3)~~ the school corporation's excise tax revenue for the year that precedes the current year by two (2) years; minus  
~~(5) (4)~~ an amount equal to the reduction in the school corporation's tuition support under **any combination of subsection (b), subsection (c), or IC 20-10.1-2-1; or both; plus**  
~~(6) in calendar year 2003; the amount determined for calendar year 2002 under section 8.2 of this chapter; STEP TWO (C); plus~~  
~~(7) in calendar year 2004; the amount determined for calendar year 2002 under section 8.2 of this chapter; STEP TWO (D); plus~~  
~~(8) notwithstanding subdivision (1); in calendar year 2004; the school corporation's distribution under section 9.7 of this chapter for calendar year 2003; minus~~  
**(5) in 2006, the amount of the school corporation's general fund levy attributable to the levy transferred from the school corporation's general fund to the school corporation's referendum tax levy fund under IC 21-2-11.6-4.**

(b) A school corporation's previous year revenue shall be reduced if:

(1) the school corporation's state tuition support for special or vocational education was reduced as a result of a complaint being filed with the department of education after December 31, 1988, because the school program overstated the number of children enrolled in special or vocational education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in tuition support for special and vocational education because of the overstatement.

(c) A school corporation's previous year revenue shall be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-5.5-11.

The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under IC 20-5.5-7-3.5(c) and IC 20-5.5-7-3.5(d); multiplied by

(2) two (2).

SECTION 167. IC 21-3-1.7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) As used in this section, "school corporation" does not include a charter school.

(b) As used in this chapter, "tuition support levy" means with respect to a school corporation for a year the **result determined using the following formula:**

**STEP ONE: Determine the maximum general fund ad valorem property tax levy for the school corporation determined under IC 6-1.1-19-1.5. ~~reduced by the following:~~**

**STEP TWO: Determine the sum of the following:**

~~(1) (A)~~ **(A)** An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

~~(2) (B)~~ **(B)** The ~~portion part~~ of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

**(C) The part of the maximum general fund levy for the year that is added to the maximum general fund levy in the year under IC 6-1.1-19-1.5 to provide revenue for one**





(1) or more charter schools attended by students with legal settlement in the school corporation.

**STEP THREE: Determine the difference of:**

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

SECTION 168. IC 21-3-1.7-6.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6.6. (a) **This subsection does not apply to a charter school. When calculating adjusted ADM for 2006 distributions, this subsection shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for 2005 distributions.** For purposes of this chapter, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the ~~greatest sum~~ of the following:

(A) ~~The school corporation's ADM for the year preceding the current year by four (4) years multiplied by two-tenths (0.2).~~

~~(A) (B) The school corporation's ADM for the year preceding the current year by three (3) years multiplied by two-tenths (0.2).~~

~~(B) (C) The school corporation's ADM for the year preceding the current year by two (2) years multiplied by two-tenths (0.2).~~

~~(C) (D) The school corporation's ADM for the year preceding the current year by one (1) year multiplied by two-tenths (0.2).~~

~~(D) (E) The school corporation's ADM for the current year multiplied by two-tenths (0.2).~~

**Round the result to the nearest five-tenths (0.5).**

STEP TWO: Determine the greater of zero (0) or the result of:

(A) the school corporation's ADM for the year preceding the current year by four (4) years; minus

(B) the STEP ONE amount.

STEP THREE: Determine the greatest of the following:

(A) The school corporation's ADM for the year preceding the current year by two (2) years.

(B) the school corporation's ADM for the year preceding the current year; by one (1) year.

(C) the school corporation's ADM for the current year.

STEP FOUR: Determine the greater of zero (0) or the result of:

(A) the school corporation's ADM for the year preceding the current year by three (3) years; minus

(B) the STEP THREE amount.

STEP FIVE: Determine the greater of the following:

(A) The school corporation's ADM for the year preceding the current year by one (1) year.

(B) The school corporation's ADM for the current year.

STEP SIX: Determine the greater of zero (0) or the result of:

(A) the school corporation's ADM for the year preceding the current year by two (2) years; minus

(B) the STEP FIVE amount.

STEP SEVEN: Determine the greater of zero (0) or the result of:

(A) the school corporation's ADM for the year preceding the current year by one (1) year; minus

(B) the school corporation's ADM for the current year.

STEP EIGHT: Determine the sum of the following:

(A) The STEP TWO result multiplied by two-tenths (0.2).

(B) The STEP FOUR result multiplied by four-tenths (0.4).



1 (C) The STEP SIX result multiplied by six-tenths (0.6).  
 2 (D) The STEP SEVEN result multiplied by eight-tenths (0.8).  
 3 STEP NINE: Determine the result of:  
 4 (A) the school corporation's ADM for the current year; plus  
 5 (B) the STEP EIGHT result.  
 6 STEP TEN: This STEP applies to a school corporation for which the amount determined under  
 7 STEP EIGHT is zero (0). Determine the sum of:  
 8 (A) the school corporation's ADM for the 2003 school year; plus  
 9 (B) the subsection (b) or (c) result; whichever is applicable.  
 10 Round the result to the nearest five-tenths (0.5).  
 11 (b) This subsection applies during the 2004 calendar year to a school corporation described in  
 12 subsection (a) STEP TEN: Determine the result under the following formula:  
 13 STEP ONE: Determine the difference between:  
 14 (A) the school corporation's ADM for the 2004 school year; minus  
 15 (B) the school corporation's ADM for the 2003 school year.  
 16 STEP TWO: Determine the greater of zero (0) or the STEP ONE amount.  
 17 STEP THREE: Determine the product of:  
 18 (A) the STEP TWO amount; multiplied by  
 19 (B) two-thousandths (0.002).  
 20 STEP FOUR: Determine the lesser of the following:  
 21 (A) The STEP THREE amount.  
 22 (B) Seventy-five hundredths (0.75).  
 23 STEP FIVE: Determine the product of:  
 24 (A) the STEP ONE amount; multiplied by  
 25 (B) the STEP FOUR amount.  
 26 (c) This subsection applies during the 2005 calendar year to a school corporation described in  
 27 subsection (a) STEP TEN: Determine the result under the following formula:  
 28 STEP ONE: Determine the difference between:  
 29 (A) the school corporation's ADM for the 2005 school year; minus  
 30 (B) the school corporation's ADM for the 2004 school year.  
 31 STEP TWO: Determine the greater of zero (0) or the STEP ONE amount.  
 32 STEP THREE: Determine the product of:  
 33 (A) the STEP TWO amount; multiplied by  
 34 (B) two-thousandths (0.002).  
 35 STEP FOUR: Determine the lesser of the following:  
 36 (A) The STEP THREE amount.  
 37 (B) Seventy-five hundredths (0.75).  
 38 STEP FIVE: Determine the product of:  
 39 (A) the STEP ONE amount; multiplied by  
 40 (B) the STEP FOUR amount.  
 41 STEP SIX: Determine the subsection (b) amount.  
 42 STEP SEVEN: Determine the sum of:  
 43 (A) the STEP FIVE result; plus  
 44 (B) the STEP SIX result.  
 45 STEP TWO: Determine the sum of:  
 46 (A) the school corporation's ADM for the year preceding the current year; plus  
 47 (B) the product of:  
 48 (i) the school corporation's ADM for the current year minus the clause (A)



1 amount; multiplied by  
2 (ii) seventy-five hundredths (0.75).  
3 Round the result to the nearest five-tenths (0.5).  
4 **STEP THREE: Determine the greater of the following:**  
5 (A) The STEP ONE result.  
6 (B) The STEP TWO result.  
7 (d) For a charter school whose current ADM is at least fifteen percent (15%) greater than the  
8 charter school's ADM of the previous year, the  
9 (b) A charter school's adjusted ADM for purposes of this **section chapter** is the charter school's  
10 current ADM.  
11 SECTION 169. IC 21-3-1.7-6.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JANUARY 1, 2006]: Sec. 6.7. (a) This subsection applies during the 2003 calendar year. For each  
13 school corporation that is not a charter school, the index used in subsection (d) is determined under  
14 the following STEPS:  
15 STEP ONE: Determine the greater of zero (0) or the result of the following:  
16 (1) Multiply the school corporation's at risk index by twenty-five hundredths (0.25).  
17 (2) Divide the result under subdivision (1) by three thousand seven hundred thirty-six  
18 ten-thousandths (0.3736).  
19 (3) Subtract three hundred ninety-five ten-thousandths (0.0395) from the result under  
20 subdivision (2).  
21 STEP TWO: Determine the greater of zero (0) or the result of the following:  
22 (1) Multiply the percentage of the school corporation's students who were eligible for free  
23 lunches in the school year ending in 2001 by twenty-five hundredths (0.25).  
24 (2) Divide the result under subdivision (1) by seven hundred twenty-three thousandths (0.723).  
25 STEP THREE: Determine the greater of zero (0) or the result of the following:  
26 (1) Multiply the percentage of the school corporation's students who were classified as limited  
27 English proficient in the school year ending in 2000 by twenty-five hundredths (0.25).  
28 (2) Divide the result under subdivision (1) by one thousand seven hundred fifteen  
29 ten-thousandths (0.1715).  
30 STEP FOUR: Determine the result of:  
31 (1) the sum of the results in STEPS ONE through THREE; divided by  
32 (2) three (3).  
33 STEP FIVE: Determine the result of one (1) plus the STEP FOUR result.  
34 (b) This subsection applies to calendar years beginning after December 31, 2003.  
35 (a) For each school corporation, that is not a charter school, the index used in subsection (e) (c) is  
36 determined under the following STEPS:  
37 STEP ONE: Determine the greater of zero (0) or the result of the following:  
38 (1) Determine the percentage of the population in the school corporation who are at least  
39 ~~twenty (20)~~ **twenty-five (25)** years of age with less than a twelfth grade education.  
40 (2) Determine the quotient of:  
41 (A) ~~eight hundred seventy dollars (\$870)~~ in 2004 and ~~nine hundred seventy one thousand~~  
42 ~~nineteen dollars (\$970)~~; in 2005; **(\$1,019)**; divided by  
43 (B) ~~four thousand three hundred fifty dollars (\$4,350)~~ in 2004 and ~~four thousand three four~~  
44 ~~hundred sixty-eight seventy-five dollars (\$4,368)~~ in 2005; **(\$4,475)** in 2006 and ~~four~~  
45 ~~thousand five hundred twenty dollars (\$4,520)~~ in 2007.  
46 (3) Determine the product of:  
47 (A) the subdivision (1) amount; multiplied by  
48 (B) the subdivision (2) amount.



- 1 STEP TWO: Determine the greater of zero (0) or the result of the following:
- 2 (1) Determine the percentage of the school corporation's students who were eligible for free
- 3 lunches in the school year ending in ~~2003~~: **2005**.
- 4 (2) Determine the quotient of:
- 5 (A) ~~one thousand one hundred dollars (\$1,100) in 2004 and one thousand two hundred sixty~~
- 6 ~~dollars (\$1,200); in 2005; (\$1,260);~~ divided by
- 7 (B) ~~four thousand three hundred fifty dollars (\$4,350) in 2004 and four thousand three four~~
- 8 ~~hundred sixty-eight seventy-five dollars (\$4,368) in 2005; (\$4,475) in 2006 and four~~
- 9 ~~thousand five hundred twenty dollars (\$4,520) in 2007.~~
- 10 (3) Determine the product of:
- 11 (A) the subdivision (1) amount; multiplied by
- 12 (B) the subdivision (2) amount.
- 13 STEP THREE: Determine the greater of zero (0) or the result of the following:
- 14 (1) Determine the percentage of the school corporation's students who were classified as
- 15 limited English proficient in the school year ending in ~~2003~~: **2005**.
- 16 (2) Determine the quotient of:
- 17 (A) ~~three hundred ten dollars (\$310) in 2004 and four hundred thirty fifty-two dollars~~
- 18 ~~(\$430); in 2005; (\$452);~~ divided by
- 19 (B) ~~four thousand three hundred fifty dollars (\$4,350) in 2004 and four thousand three four~~
- 20 ~~hundred sixty-eight seventy-five dollars (\$4,368) in 2005; (\$4,475) in 2006 and four~~
- 21 ~~thousand five hundred twenty dollars (\$4,520) in 2007.~~
- 22 (3) Determine the product of:
- 23 (A) the subdivision (1) amount; multiplied by
- 24 (B) the subdivision (2) amount.
- 25 STEP FOUR: Determine the greater of zero (0) or the result of the following:
- 26 (1) Determine the percentage of families in the school corporation with a single parent.
- 27 (2) Determine the quotient of:
- 28 (A) ~~four hundred forty dollars (\$440) in 2004 and five hundred thirty fifty-seven dollars~~
- 29 ~~(\$530); in 2005; (\$557);~~ divided by
- 30 (B) ~~four thousand three hundred fifty dollars (\$4,350) in 2004 and four thousand three four~~
- 31 ~~hundred sixty-eight seventy-five dollars (\$4,368) in 2005; (\$4,475) in 2006 and four~~
- 32 ~~thousand five hundred twenty dollars (\$4,520) in 2007.~~
- 33 (3) Determine the product of:
- 34 (A) the subdivision (1) amount; multiplied by
- 35 (B) the subdivision (2) amount.
- 36 STEP FIVE: Determine the greater of zero (0) or the result of the following:
- 37 (1) Determine the percentage of families in the school corporation with children who are less
- 38 than eighteen (18) years of age and who have a family income level below the federal income
- 39 poverty level (as defined in IC 12-15-2-1).
- 40 (2) Determine the quotient of:
- 41 (A) ~~two hundred twenty dollars (\$220) in 2004 and three hundred thirty forty-seven dollars~~
- 42 ~~(\$330); in 2005; (\$347);~~ divided by
- 43 (B) ~~four thousand three hundred fifty dollars (\$4,350) in 2004 and four thousand three four~~
- 44 ~~hundred sixty-eight seventy-five dollars (\$4,368) in 2005; (\$4,475) in 2006 and four~~
- 45 ~~thousand five hundred twenty dollars (\$4,520) in 2007.~~
- 46 (3) Determine the product of:
- 47 (A) the subdivision (1) amount; multiplied by
- 48 (B) the subdivision (2) amount.



- 1 STEP SIX: Determine the sum of the results in STEPS ONE through FIVE.  
2 STEP SEVEN: Determine the result of one (1) plus the STEP SIX result.  
3 STEP EIGHT: This STEP applies if the STEP SEVEN result is equal to or greater than one and  
4 twenty-five hundredths (1.25). Determine the result of the following:  
5 (1) Determine the STEP TWO (1) amount for the school corporation:  
6 (2) Determine the quotient of:  
7 (A) one hundred fifty dollars (\$150); divided by  
8 (B) four thousand three hundred fifty dollars (\$4,350) in 2004 and four thousand three  
9 hundred sixty-eight dollars (\$4,368) in 2005:  
10 (3) Determine the product of:  
11 (A) the subdivision (1) amount; multiplied by  
12 (B) the subdivision (2) amount:  
13 (4) Determine the STEP FIVE (1) amount for the school corporation:  
14 (5) Determine the product of:  
15 (A) the subdivision (4) amount; multiplied by  
16 (B) the subdivision (2) amount:  
17 (6) Determine the result of:  
18 (A) the subdivision (3) result; plus  
19 (B) the subdivision (5) result:  
20 (1) Subtract one and twenty-five hundredths (1.25) from the STEP SEVEN result.  
21 (2) Multiply the subdivision (1) result by five-tenths (0.5).  
22 (7) (3) Determine the result of:  
23 (A) the STEP SEVEN result; plus  
24 (B) the subdivision (6) (2) result.

25 The data to be used in making the calculations under STEP ONE, STEP FOUR, and STEP FIVE of  
26 this subsection must be the data from the 2000 federal decennial census.

27 (c) (b) For each charter school, the index used in section (d) or (e) subsection (c) is the index  
28 determined under subsection (a) or (b) for the school corporation in which the charter school is  
29 located. **However, the index used in subsection (c) for Campagna Academy Charter School is the**  
30 **index determined under subsection (a) for Gary Community School Corporation.**

31 (d) This subsection applies to calendar years ending before January 1, 2004. A school corporation's  
32 target revenue per ADM for a calendar year is the result determined under STEP SIX of the following  
33 formula:

34 STEP ONE: Determine the result under clause (B) of the following formula:

35 (A) Determine the result of:

36 (i) four thousand five hundred sixty dollars (\$4,560); multiplied by

37 (ii) the index determined for the school corporation under subsection (a) or (c); as  
38 applicable:

39 (B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current  
40 year:

41 STEP TWO: Divide the school corporation's previous year revenue by the school corporation's  
42 adjusted ADM for the previous year:

43 STEP THREE: Multiply the index determined under subsection (a) or (c); as applicable; by the  
44 following:

45 (A) If the STEP TWO result is not more than four thousand five hundred sixty dollars  
46 (\$4,560); multiply by ninety dollars (\$90):

47 (B) If the STEP TWO result is more than four thousand five hundred sixty dollars (\$4,560)  
48 and not more than five thousand eight hundred twenty-five dollars (\$5,825); multiply by the



1 result under clause (C):

2 (C) Determine the result of the following:

3 (i) The STEP TWO result minus four thousand five hundred sixty dollars (\$4,560):

4 (ii) Divide the item (i) result by one thousand two hundred sixty-five dollars (\$1,265):

5 (iii) Multiply the item (ii) result by forty dollars (\$40):

6 (iv) Subtract the item (iii) result from ninety dollars (\$90):

7 (D) If the STEP TWO result is more than five thousand eight hundred twenty-five dollars

8 (\$5,825), multiply by fifty dollars (\$50):

9 STEP FOUR: Add the STEP TWO result and the STEP THREE result:

10 STEP FIVE: Determine the greatest of the following:

11 (A) Multiply the STEP FOUR result by the school corporation's adjusted ADM for the

12 current year:

13 (B) Multiply the school corporation's previous year revenue by one and two-hundredths

14 (1.02):

15 (C) The STEP ONE amount:

16 STEP SIX: Divide the STEP FIVE amount by the school corporation's adjusted ADM for the

17 current year:

18 (e) This subsection applies to calendar years beginning after December 31, 2003:

19 (c) A school corporation's target revenue per ADM for a calendar year is the result determined

20 under STEP NINE of the following formula:

21 STEP ONE: Determine the result under clause (B) of the following formula: (A) Determine the

22 result of: (i) four thousand three hundred fifty dollars (\$4,350) in 2004 and Determine the

23 product of:

24 (A) four thousand three four hundred sixty-eight seventy-five dollars (\$4,368) in 2005:

25 (\$4,475) in 2006 and four thousand five hundred twenty dollars (\$4,520) in 2007;

26 multiplied by

27 (ii) (B) the index determined for the school corporation under subsection (b) (a) or (c); (b),

28 as applicable.

29 (B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current

30 year:

31 STEP TWO: Determine the result under the following formula:

32 (A) Determine the quotient of:

33 (i) the school corporation's previous year revenue; divided by

34 (ii) the school corporation's ADM for the previous year:

35 (B) Determine the product of:

36 (i) the clause (A) amount; multiplied by

37 (ii) one and two-hundredths (1.02):

38 (C) Determine the product of:

39 (i) the clause (B) amount; multiplied by

40 (ii) the school corporation's current ADM:

41 STEP THREE: Determine the result under the following formula:

42 (A) Determine the product of:

43 (i) the STEP TWO clause (A) amount; multiplied by

44 (ii) ninety-eight hundredths (0.98):

45 (B) Determine the product of:

46 (i) the clause (A) amount; multiplied by

47 (ii) the school corporation's current ADM:

48 STEP FOUR: Determine the lesser of:



1 (A) the STEP ONE amount; or  
 2 (B) the STEP TWO amount.  
 3 **STEP FIVE: Determine the greater of:**  
 4 (A) the STEP THREE amount; or  
 5 (B) the STEP FOUR amount.  
 6 **STEP SIX: TWO:** Divide the school corporation's previous year revenue by the school  
 7 corporation's adjusted ADM for the previous year.  
 8 **STEP SEVEN: Determine the product of:**  
 9 (A) the STEP SIX result; multiplied by  
 10 (B) the school corporation's current adjusted ADM.  
 11 **STEP EIGHT: Determine the greatest of the following:**  
 12 (A) The product of  
 13 (i) the school corporation's previous year revenue multiplied by  
 14 (ii) one and one-hundredth (1.01);  
 15 (B) The STEP FIVE amount;  
 16 (C) The STEP SEVEN amount.  
 17 **STEP THREE: Determine the difference of:**  
 18 (A) the STEP ONE amount; minus  
 19 (B) the STEP TWO amount.  
 20 **STEP FOUR: Divide the STEP THREE result by:**  
 21 (A) six (6) in 2006; and  
 22 (B) five (5) in 2007.  
 23 **STEP FIVE: A school corporation's STEP FIVE amount is the following:**  
 24 (A) For a charter school that has previous year revenue that is not greater than zero (0),  
 25 the charter school's STEP FIVE amount is the quotient of:  
 26 (i) the STEP SEVEN amount for the school corporation where the charter school is  
 27 located; divided by  
 28 (ii) the school corporation's current ADM.  
 29 (B) The STEP FIVE amount for a school corporation that is not a charter school  
 30 described in clause (A) is the following:  
 31 (i) The school corporation's STEP ONE amount, if the absolute value of the STEP  
 32 THREE amount is less than or equal to fifty dollars (\$50).  
 33 (ii) The sum of the school corporation's STEP TWO amount and the greater of the  
 34 school corporation's STEP FOUR amount or fifty dollars (\$50), if the school  
 35 corporation's STEP THREE amount is greater than fifty dollars (\$50).  
 36 (iii) The difference determined by subtracting the greater of the absolute value of the  
 37 school corporation's STEP FOUR amount or fifty dollars (\$50) from the school  
 38 corporation's STEP TWO amount, if the school corporation's STEP THREE amount  
 39 is less than negative fifty dollars (-\$50).  
 40 **STEP SIX: Determine the product of:**  
 41 (A) the STEP FIVE amount; multiplied by  
 42 (B) the school corporation's current adjusted ADM.  
 43 **STEP SEVEN: Determine the greater of the following:**  
 44 (A) The school corporation's STEP SIX amount.  
 45 (B) The amount determined under item (iii) of the following formula:  
 46 (i) Divide the school corporation's previous year revenue by the school corporation's  
 47 previous year ADM.  
 48 (ii) Multiply the item (i) result by ninety-nine hundredths (0.99).



1           **(iii) Multiply the item (ii) amount by the school corporation's current ADM.**  
2       ~~STEP NINE: EIGHT:~~ Determine the quotient of:  
3           (A) the ~~STEP EIGHT SEVEN~~ amount; divided by  
4           (B) the school corporation's current adjusted ADM.  
5       SECTION 170. IC 21-3-1.7-6.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
6       JANUARY 1, 2006]: Sec. 6.8. (a) This section does not apply to a charter school.  
7           ~~(b) This subsection does not apply after December 31, 2003: A school corporation's target general~~  
8       ~~fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE~~  
9       ~~of the following formula:~~  
10       STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in  
11       section 6.7(d) of this chapter minus the result determined in STEP ONE of the formula in section  
12       6.7(d) of this chapter is greater than zero (0): Determine the result under clause (E) of the  
13       following formula:  
14           (A) Divide the school corporation's 2002 assessed valuation by the school corporation's  
15           current ADM.  
16           (B) Divide the clause (A) result by ten thousand (10,000).  
17           (C) Determine the greater of the following:  
18               (i) The clause (B) result.  
19               (ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars and seventy-five cents (\$39.75)  
20               in 2003.  
21           (D) Determine the result determined under item (ii) of the following formula:  
22               (i) Subtract the result determined in STEP ONE of the formula in section 6.7(d) of this  
23               chapter from the amount determined in STEP FIVE of the formula in section 6.7(d) of this  
24               chapter.  
25               (ii) Divide the item (i) result by the school corporation's current ADM.  
26           (E) Divide the clause (D) result by the clause (C) result.  
27           (F) Divide the clause (E) result by one hundred (100).  
28       STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in  
29       section 6.7(d) of this chapter is equal to STEP ONE of the formula in section 6.7(d) of this  
30       chapter and the result of clause (A) is greater than zero (0): Determine the result under clause (G)  
31       of the following formula:  
32           (A) Add the following:  
33               (i) An amount equal to the annual decrease in federal aid to impacted areas from the year  
34               preceding the ensuing calendar year by three (3) years to the year preceding the ensuing  
35               calendar year by two (2) years.  
36               (ii) The portion of the maximum general fund levy for the year that equals the original  
37               amount of the levy imposed by the school corporation to cover the costs of opening a new  
38               school facility during the preceding year.  
39           (B) Divide the clause (A) result by the school corporation's current ADM.  
40           (C) Divide the school corporation's 2002 assessed valuation by the school corporation's  
41           current ADM.  
42           (D) Divide the clause (C) result by ten thousand (10,000).  
43           (E) Determine the greater of the following:  
44               (i) The clause (D) result.  
45               (ii) Thirty-nine dollars (\$39) in 2002 and thirty-nine dollars and seventy-five cents (\$39.75)  
46               in 2003.  
47           (F) Divide the clause (B) result by the clause (E) amount.  
48           (G) Divide the clause (F) result by one hundred (100).





1 STEP THREE: Determine the sum of:  
2 (A) ~~ninety-one and eight-tenths cents (\$0.918)~~ in 2002; and  
3 (B) ~~ninety-five and eight-tenths cents (\$0.958)~~ in 2003; and  
4 if applicable, the STEP ONE or STEP TWO result.  
5 ~~(e) This subsection applies to calendar years beginning after December 31, 2004.~~  
6 (b) A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is  
7 the result determined under STEP FOUR of the following formula:  
8 STEP ONE: Determine the product of:  
9 (A) the amount determined for the school corporation in STEP ONE of the formula in section  
10 6.7~~(e)~~ 6.7(c) of this chapter; multiplied by  
11 (B) the school corporation's adjusted ADM for the current year.  
12 STEP TWO: This STEP applies only if the amount determined in STEP ~~EIGHT SEVEN~~ of the  
13 formula in section 6.7~~(e)~~ 6.7(c) of this chapter ~~minus is not equal to~~ the STEP ONE result. is  
14 ~~greater than zero (0).~~ Determine the result under clause ~~(E)~~ (F) of the following formula:  
15 (A) Divide the school corporation's assessed valuation by the school corporation's current  
16 ADM.  
17 (B) Divide the clause (A) result by ten thousand (10,000).  
18 (C) Determine the greater of the following:  
19 (i) The clause (B) result.  
20 (ii) ~~Forty-three~~ **Thirty-six** dollars and ~~sixty-five~~ **thirty** cents (~~\$43.65~~). **(\$36.30)**.  
21 (D) Determine the result determined under item (ii) of the following formula:  
22 (i) Subtract the STEP ONE result from the amount determined in STEP ~~EIGHT SEVEN~~ of  
23 the formula in section 6.7~~(e)~~ 6.7(c) of this chapter.  
24 (ii) Divide the item (i) result by the school corporation's current ADM.  
25 (E) Divide the clause (D) result by the clause (C) result.  
26 (F) Divide the clause (E) result by one hundred (100).  
27 STEP THREE: This STEP applies only if the amount determined in STEP ~~EIGHT SEVEN~~ of  
28 the formula in section 6.7~~(e)~~ 6.7(c) of this chapter is equal to the STEP ONE result and the result  
29 of clause (A) is greater than zero (0). Determine the result under clause (G) of the following  
30 formula:  
31 (A) Add the following:  
32 (i) An amount equal to the annual decrease in federal aid to impacted areas from the year  
33 preceding the ensuing calendar year by three (3) years to the year preceding the ensuing  
34 calendar year by two (2) years.  
35 (ii) The part of the maximum general fund levy for the year that equals the original amount  
36 of the levy imposed by the school corporation to cover the costs of opening a new school  
37 facility during the preceding year.  
38 (B) Divide the clause (A) result by the school corporation's current ADM.  
39 (C) Divide the school corporation's assessed valuation by the school corporation's current  
40 ADM.  
41 (D) Divide the clause (C) result by ten thousand (10,000).  
42 (E) Determine the greater of the following:  
43 (i) The clause (D) result.  
44 (ii) ~~Forty-three~~ **Thirty-six** dollars and ~~sixty-five~~ **thirty** cents (~~\$43.65~~). **(\$36.30)**.  
45 (F) Divide the clause (B) result by the clause (E) amount.  
46 (G) Divide the clause (F) result by one hundred (100).  
47 STEP FOUR: **This STEP applies to all school corporations.** Determine the sum of:  
48 (A) ~~sixty-three sixty-nine and seven-tenths three-tenths cents (\$0.637)~~ **(\$0.693)** in 2006 and



seventy and eight tenths cents (\$0.708) in 2007; and, plus  
 (B) if applicable, the STEP TWO or STEP THREE result.

(d) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation's general fund ad valorem property tax levy is determined under IC 6-1.1-19-1.5(f).

SECTION 171. IC 21-3-1.7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. If a computation under this chapter results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

- (1) If it is a All tax rate calculation, rates shall be computed by rounding the rate to the nearest one-hundredth of a cent (\$0.0001).
- (2) If it is a All tax levies shall be computed by rounding the levy to the nearest dollar amount (\$1).
- (3) All tuition support calculation distributions shall be computed by rounding the tuition support distribution to the nearest cent (\$0.01).
- (3) (4) If it is a calculation is not covered by subdivision (1), or (2), or (3), the result of the calculation shall be rounded to the nearest ten-thousandth (.0001).

SECTION 172. IC 21-3-1.7-8.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8.2. (a) As used in this section, "transfer amount" means the product of:

- (1) a school corporation's assessed valuation for calendar year 2002 divided by one hundred (100); multiplied by
- (2) the lesser of:
  - (A) three hundred twenty-eight ten-thousandths (0.0328); or
  - (B) the school corporation's capital projects fund tax rate for calendar year 2002 multiplied by five-tenths (0.5).

(b) This subsection applies to calendar years ending before January 1, 2004. Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:

STEP ONE:

- (A) For a school corporation not described in clause (B), determine the school corporation's result under STEP FIVE of section 6.7(d) of this chapter for the calendar year.
- (B) For a school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under STEP ONE (A) of section 6.7(d) of this chapter, determine the sum of:
  - (i) the school corporation's result under STEP ONE of section 6.7(d) of this chapter for the calendar year; plus
  - (ii) the amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years; plus
  - (iii) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

STEP TWO: Determine the sum of:

- (A) the school corporation's tuition support levy;
- (B) the school corporation's excise tax revenue for the year that precedes the current year by one (1) year;
- (C) for the last six (6) months of calendar year 2002, the school corporation's transfer amount; plus
- (D) for the first six (6) months of calendar year 2003, the school corporation's transfer amount.



1 The amount determined under this STEP for a charter school is zero (0).  
2 STEP THREE: Determine the difference between:  
3 (A) the STEP ONE amount; minus  
4 (B) the applicable STEP TWO or STEP THREE amount.  
5 (c) This subsection applies to calendar years beginning after December 31, 2003: (a)  
6 Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a  
7 calendar year for tuition support for basic programs for each school corporation equals the result  
8 determined using the following formula:  
9 STEP ONE: For a:  
10 (A) For a school corporation not described in clause (B), determine the school corporation's  
11 result under STEP EIGHT SEVEN of section 6.7(e) 6.7(c) of this chapter for the calendar  
12 year; and  
13 (B) For a school corporation that has target revenue per adjusted ADM for a calendar year that  
14 is equal to the amount under STEP ONE (A) of section 6.7(e) 6.7(c) STEP ONE of this  
15 chapter, determine the sum of:  
16 (i) the school corporation's result under STEP ONE of section 6.7(e) 6.7(c) STEP ONE of  
17 this chapter for the calendar year multiplied by the school corporation's adjusted ADM  
18 for the current year; plus  
19 (ii) the amount of the annual decrease in federal aid to impacted areas from the year  
20 preceding the ensuing calendar year by three (3) years to the year preceding the ensuing  
21 calendar year by two (2) years; plus  
22 (iii) the part of the maximum general fund levy for the year that equals the original amount  
23 of the levy imposed by the school corporation to cover the costs of opening a new school  
24 facility or reopening an existing facility during the preceding year.  
25 STEP TWO: This STEP applies to a school corporation that is not a charter school. Determine  
26 the sum of:  
27 (A) the school corporation's tuition support levy; plus  
28 (B) the school corporation's excise tax revenue for the year that precedes the current year by  
29 one (1) year.  
30 STEP THREE: This STEP applies to a charter school. Determine the product of:  
31 (A) the amount determined under STEP EIGHT of section 6.7(e) 6.7(c) STEP SEVEN of this  
32 chapter for the charter school; multiplied by  
33 (B) thirty-five hundredths (0.35).  
34 STEP FOUR: Determine the difference between:  
35 (A) the STEP ONE amount; minus  
36 (B) the STEP TWO or STEP THREE amount, as applicable.  
37 (d) (b) If the state tuition support determined for a school corporation under this section is negative,  
38 the school corporation is not entitled to any state tuition support. In addition, the school corporation's  
39 maximum general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount of the negative  
40 result.  
41 SECTION 173. IC 21-3-1.7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY  
42 1, 2005 (RETROACTIVE)]: Sec. 9. (a) Subject to the amount appropriated by the general assembly  
43 for tuition support, the amount that a school corporation is entitled to receive in tuition support for a  
44 year is the amount determined in section 8.2 of this chapter.  
45 (b) If the total amount to be distributed as tuition support under this chapter, in 2005 for enrollment  
46 adjustment grants under section 9.5 of this chapter for at-risk programs under section 9.7 of this  
47 chapter, (before its repeal), for academic honors diploma awards under section 9.8 of this chapter,  
48 in 2005 for supplemental remediation grants under section 9.9 of this chapter (before its repeal), for



1 primetime distributions under IC 21-1-30, for special education grants under IC 21-3-2.1, and for  
2 vocational education grants under IC 21-3-12 for a particular year, exceeds:

3 (1) ~~three billion five hundred eighty million dollars (\$3,580,000,000) in 2003;~~

4 (2) ~~three billion six hundred seventy-six million dollars (\$3,676,000,000) in 2004; and~~

5 (3) ~~(1) three billion seven hundred twenty-one million four hundred thousand~~  
6 ~~dollars (\$3,721,000,000) (\$3,758,400,000) in 2005;~~

7 ~~(2) three billion seven hundred fifty-four million three hundred thousand dollars~~  
8 ~~(\$3,754,300,000) in 2006; and~~

9 ~~(3) three billion seven hundred forty-nine million three hundred thousand dollars~~  
10 ~~(\$3,749,300,000) in 2007;~~

11 the amount to be distributed for tuition support under this chapter to each school corporation during  
12 each of the last six (6) months of the year shall be **proportionately** reduced by the same dollar amount  
13 per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess.

14 **The amount of the reduction for a particular school corporation is equal to the total amount of**  
15 **the excess multiplied by a fraction. The numerator of the fraction is the amount of the**  
16 **distribution for tuition support that the school corporation would have received if a reduction**  
17 **were not made under this section. The denominator of the fraction is the total amount that**  
18 **would be distributed for tuition support to all school corporations if a reduction were not made**  
19 **under this section.**

20 SECTION 174. IC 21-3-1.7-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
21 JANUARY 1, 2006]: Sec. 9.8. (a) In addition to the distributions under ~~sections~~ **section 8.2 9.5; 9.7;**  
22 ~~and 9.9~~ of this chapter, a school corporation is eligible for an honors diploma award in the amount  
23 determined under STEP TWO of the following formula:

24 STEP ONE: Determine the number of the school corporation's eligible pupils who successfully  
25 completed an academic honors diploma program in the school year ending in the previous  
26 calendar year.

27 STEP TWO: Multiply the STEP ONE amount by nine hundred ~~sixty-three dollars (\$963):~~ **(\$900).**

28 (b) ~~Each year the governing body of a school corporation may use the money that the school~~  
29 ~~corporation receives for an honors diploma award under this section to give nine hundred sixty-three~~  
30 ~~dollars (\$963) to each eligible pupil in the school corporation who successfully completes an academic~~  
31 ~~honors diploma program in the school year ending in the previous calendar year.~~

32 (b) **An amount received by a school corporation as an honors diploma award may be used**  
33 **only for:**

34 (1) **any:**

35 (A) **staff training;**

36 (B) **program development;**

37 (C) **equipment and supply expenditures; or**

38 (D) **other expenses;**

39 **directly related to the school corporation's academic honors diploma program; and**

40 (2) **the school corporation's program for high ability students.**

41 (c) **The governing body of a school corporation shall prepare an annual report that**  
42 **summarizes the programs and services provided with the money received under this section. The**  
43 **report prepared under this subsection shall be made available for inspection by:**

44 (1) **the department of education; and**

45 (2) **members of the public.**

46 **A governing body that does not comply with this subsection for a school year is not eligible to**  
47 **receive an award under this section for the following school year until the governing body**  
48 **complies with this subsection.**



1 SECTION 175. IC 21-3-1.7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
2 2005]: Sec. 10. This chapter expires January 1, ~~2006~~. **2008.**

3 SECTION 176. IC 21-3-2.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
4 2005]: Sec. 10. This chapter expires January 1, ~~2006~~. **2008.**

5 SECTION 177. IC 21-3-12-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
6 2005]: Sec. 12. This chapter expires January 1, ~~2006~~. **2008.**

7 SECTION 178. IC 21-6.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
8 2005]: Sec. 2. (a) The board shall segregate the fund into the following accounts:

9 (1) The pre-1996 account.

10 (2) The 1996 account.

11 (b) The board shall segregate each of the accounts established under subsection (a) into the  
12 following subaccounts:

13 (1) The annuity savings account.

14 (2) The retirement allowance account.

15 (c) Except as provided in subsection (d), member contributions shall be credited to the annuity  
16 savings accounts within the pre-1996 account.

17 (d) Member contributions made after June 30, 1995, with respect to the following members shall  
18 be credited to the annuity savings account within the 1996 account:

19 (1) ~~A An individual who first became a member who was hired of the fund~~ after June 30, 1995.  
20 ~~by a school corporation or other institution covered by the fund.~~

21 (2) A member who:

22 (A) before July 1, 1995, served in a position covered by the fund; and

23 (B) after June 30, 1995, and before July 1, ~~2001~~, **2005**, was hired by another school  
24 corporation or institution covered by the fund or rehired by a prior employer.

25 (3) A member described in subdivision (2) who, after June 30, ~~2001~~, **2005**, is hired by another  
26 school corporation or institution covered by the fund or rehired by a prior employer.

27 (e) Member contributions made to the pre-1996 account with respect to a member covered by  
28 subsection (d) shall be transferred to the annuity savings account within the 1996 account.

29 (f) Employer contributions made after June 30, 1995, with respect to members described in  
30 subsection (d) shall be credited to the retirement allowance account within the 1996 account. Employer  
31 contributions made after June 30, 1995, with respect to all other members shall be credited to the  
32 retirement allowance account within the pre-1996 account.

33 ~~(g) Employer contributions, if any (as determined by the board), made to the pre-1996 account with~~  
34 ~~respect to a member covered by subsection (d) shall be transferred to the retirement allowance account~~  
35 ~~within the 1996 account.~~

36 ~~(h)~~ **(g)** The board shall administer these accounts and subaccounts as specified in IC 5-10.2-2.

37 SECTION 179. IC 21-6.1-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
38 2005]: Sec. 5. (a) The general assembly shall appropriate from the state general fund an amount that  
39 is sufficient to cover the state's actuarial liability for each member covered by the pre-1996 account  
40 and for each state employee covered by the 1996 account. The board may reduce this liability by the  
41 amount of interest earned on the deposits in the fund. This liability is determined by the actuarial  
42 investigation prescribed in IC 5-10.2-2-9. **The actuarial investigation and the board shall include**  
43 **in the determination of the liability and appropriation necessary any cost of living increases**  
44 **granted to members of the pre-1996 account, amortized over thirty (30) years.** The board shall  
45 prepare its budget based on this investigation and for other specified expenditures and shall submit it  
46 to the governor or to another officer or committee authorized by law to recommend the necessary  
47 appropriation.

48 (b) Each school corporation shall contribute to the 1996 account as specified in IC 21-6.1-7.



1 (c) If members receive compensation from federal funds, the board shall at the end of each fiscal  
2 year determine the employer's contribution, excluding administration expenses, to be paid from federal  
3 funds. The amount shall be determined by such method adopted by the board as results in an equitable  
4 sharing of the employer contribution by the federal government on account of members receiving  
5 compensation from federal funds.

6 SECTION 180. IC 21-6.1-4-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY  
7 1, 2005]: Sec. 6.1. (a) This subsection applies to members who retire before July 1, 1980. A member  
8 who had completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or  
9 involuntary induction into the military services is entitled to credit for that service as if the member  
10 had begun teaching before the induction. A member who serves in military service is considered a  
11 teacher and is entitled to the benefits of the fund if for or during the leave of absence the member pays  
12 into the fund the member's contributions. Time served by a member in military service for the duration  
13 of the hostilities or for the length of active service in the hostilities and the necessary demobilization  
14 time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter.

15 (b) This subsection applies to members who retire after June 30, 1980. A member who had  
16 completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or  
17 involuntary induction into military service is entitled to credit for the member's active military service  
18 as if the member had begun teaching before the induction. A member who serves in military service  
19 is considered a teacher and is entitled to the benefits of the fund if:

20 (1) the member has an honorable discharge; and

21 (2) except as provided in subsection (f), the member returns to active teaching service within  
22 eighteen (18) months after the completion of active military service.

23 The time served by a member in military service for the duration of the hostilities or for the length of  
24 active service in the hostilities and the necessary demobilization time after the hostilities is not subject  
25 to the one-seventh rule specified in section 5 of this chapter. However, not more than six (6) years of  
26 military service credit may be granted under this subsection. In order to be eligible for any military  
27 service credit under this subsection, a member must have at least ten (10) years of in-state service  
28 credit.

29 (c) This subsection applies to members who retire after May 1, 1989. A member who had begun  
30 but had not completed four (4) years of approved college teacher ~~training~~ **education** before voluntary  
31 or involuntary induction into the military services is entitled to service credit in an amount equal to  
32 the duration of the member's active military service if the following conditions are met:

33 (1) The member has an honorable discharge.

34 (2) Except as provided in subsection (f), the member returns to a four (4) year approved college  
35 teacher training program within eighteen (18) months after the completion of active military  
36 service and subsequently completes that program.

37 (3) The member has at least ten (10) years of in-state service credit.

38 (d) This subsection applies to members who retire after May 1, 1991, and who are employed at state  
39 institutions of higher education. A member who had begun but had not completed baccalaureate or  
40 post-baccalaureate ~~training~~ **education** before voluntary or involuntary induction into military service  
41 is entitled to the member's active military service credit for the member's active military service in an  
42 amount equal to the duration of the member's military service if the following conditions are met:

43 (1) The member received an honorable discharge.

44 (2) Except as provided in subsection (f), the member returns to baccalaureate or  
45 post-baccalaureate ~~training~~ **education** within eighteen (18) months after completion of active  
46 military service and subsequently completes that ~~training~~ **education**.

47 (3) The member has at least ten (10) years of in-state service credit.

48 (e) The maximum amount of service credit that may be granted to a member who meets the



conditions of subsection (c), or (d) is six (6) years. However, for purposes of subsection (c), or (d), the time served by the member in active military service for the length of active service in hostilities and necessary demobilization is not subject to the one-seventh rule specified in section 5 of this chapter.

(f) The board shall extend the eighteen (18) month deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from returning to active teaching service or to a teacher **training education** program within eighteen (18) months after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.

(g) If a member retires, and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (f), the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(h) Notwithstanding any provision of this section, a member is entitled to military service credit and benefits in the amount and to the extent required by the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

(i) Subject to the provisions of this section, an active member may purchase not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member serves on active duty in the armed services of the United States for at least six (6) months.

(3) The member receives an honorable discharge from the armed services.

(4) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(j) The following apply to the purchase of service credit under subsection (i):

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during



1 which the payments must be made.

2 (2) The board may deny an application for the purchase of service credit if the purchase would  
3 exceed the limitations under Section 415 of the Internal Revenue Code.

4 (3) A member may not claim the service credit for purposes of determining eligibility or  
5 computing benefits unless the member has made all payments required for the purchase of the  
6 service credit.

7 SECTION 181. IC 23-13-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
8 2005]: Sec. 8. (a) Should for any cause any action of the board of directors or trustees of a corporation  
9 be invalid or ineffective in whole or in part as and for a cancellation or retirement of capital stock as  
10 provided in this chapter, then the entire act of cancellation or retirement as to all other stock shall be  
11 held null and void. If at any time after the transfer of any stock to the corporation or to the trustees or  
12 directors it becomes no longer possible for the corporation to operate the university, college, or  
13 institution of learning as a university, college, or institution of learning, and the fact is found to exist  
14 by the board of trustees or directors, the property and assets of the corporation vest in and belong  
15 absolutely to the local public school corporation within whose territorial limits the college, university,  
16 or institution of learning is situated unless the local public school corporation elects to refuse to accept  
17 the property and assets in writing served upon the board of trustees or an officer thereof within one  
18 hundred twenty (120) days. If the local public school corporation elects to refuse to accept the property  
19 and assets, then the property and assets of the corporation vest in and belong absolutely to the county  
20 within whose territorial limits the college, university, or institution of learning is situated unless the  
21 county, acting by its legislative body, elects to refuse to accept the property and assets in writing  
22 served upon the board of trustees or an officer within one hundred twenty (120) days. If the county  
23 refuses to accept the property and assets, the property and assets vest in and belong absolutely to the  
24 ~~common school state general fund. of the state of Indiana.~~ If the university, college, or institution of  
25 learning is situated in a school township, the election shall be made by the township executive with  
26 the approval of the township legislative body. If situated in a school city or town corporation, the  
27 election shall be made by the school board of the municipality.

28 (b) The local school corporation receiving the property or assets is responsible for the payment of  
29 the lawful debts and liabilities of the corporation. For the purpose of raising funds to pay the debts and  
30 liabilities, the township executive, with the concurrence and sanction of the township legislative body,  
31 or the city or town school board, as the case may be, is authorized and empowered to issue and sell  
32 bonds of the school township, school city, or school town. The debt created by the bonds, together  
33 with all other indebtedness of the school corporation, may not exceed two percent (2%) of the adjusted  
34 value of the taxable property within the school corporation as determined under IC 36-1-15. If the  
35 building or property of the corporation vested in the school corporation is suitable for instructing  
36 students of the township in the arts of agriculture, domestic science, or physical or practical mental  
37 culture, and in which to hold school or civic entertainments or be used for township, town, or city  
38 purposes, then the township executive, with the concurrence and sanction of the township, city, or  
39 town legislative body, as the case may be, is authorized and empowered to issue and sell bonds of the  
40 civil township, city, or town, as the case may be, and apply the proceeds to the payment of the debts  
41 and liabilities of the corporation. The proceeds of the bonds, together with all other indebtedness of  
42 the civil township, city, or town, may not exceed two percent (2%) of the adjusted value of the taxable  
43 property within the civil township, city, or town, as determined under IC 36-1-15. If the county  
44 receives the property, it is authorized to issue its general obligation bonds to pay the debts and  
45 liabilities as general obligation bonds of counties are issued under the general law. Unless the school  
46 and civil townships and school and civil cities and towns can liquidate the debts and liabilities without  
47 violating Article 13, Section 1 of the Constitution of the State of Indiana and IC 36-1-15, they shall  
48 elect to refuse to accept the property. Unless the county can liquidate the debts and liabilities without





violating the constitutional provision, it shall elect to refuse the property. If a civil township, city, or town uses its funds or the proceeds of the sale of its bonds to liquidate the debts and liabilities, it shall have an interest in the property in the proportion the funds expended by it bear to the funds expended by the school township, school city, or school town.

(c) Any bonds issued under this chapter shall be payable in not more than twenty (20) years after the date of their issuance. The municipal corporation issuing the bonds shall annually levy a tax on all of the taxable property within the municipal corporation in an amount sufficient to pay the interest on and the principal of such bonds as they mature. The bonds may mature and be payable either semiannually or annually. Notice of sale of the bonds shall be published once each week for two (2) weeks in a newspaper published in the municipal corporation issuing the bonds, or in a newspaper published in the county seat of the county in which the municipal corporation is located. Additional notices may be published.

(d) If the corporation ceases to exist or winds up its affairs without its board of trustees or directors finding that it is no longer possible for the corporation to operate the university, college, or institution of learning as a university, college, or institution of learning, this shall have the same effect as such a finding.

SECTION 182. IC 25-1-1.2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "board" means an entity that regulates occupations or professions under this title and the ~~professional standards board~~ **department of education** as established by ~~IC 20-1-1.4.~~ **IC 20-19-3-1.**

SECTION 183. IC 25-33-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) There is created a board to be known as the "state psychology board". The board shall consist of seven (7) members appointed by the governor. Six (6) of the board members shall be licensed under this article and shall have had at least five (5) years of experience as a professional psychologist prior to their appointment. The seventh member shall be appointed to represent the general public, must be a resident of this state, must never have been credentialed in a mental health profession, and must in no way be associated with the profession of psychology other than as a consumer. All members shall be appointed for a term of three (3) years. All members may serve until their successors are duly appointed and qualified. A vacancy occurring on the board shall be filled by the governor by appointment. The member so appointed shall serve for the unexpired term of the vacating member. Each member of the board is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the **Indiana** department of administration and approved by the state budget agency.

(b) The members of the board shall organize by the election of a chairman and a vice chairman from among its membership. Such officers shall serve for a term of one (1) year. The board shall meet at least once in each calendar year and on such other occasions as it considers necessary and advisable. A meeting of the board may be called by its chairman or by a majority of the members on the board. Four (4) members of the board constitute a quorum. A majority of the quorum may transact business.

(c) The board is empowered to do the following:

(1) Establish reasonable application, examination, and renewal procedures and set fees for licensure under this article. However, no fee collected under this article shall, under any circumstances, be refunded.

(2) Adopt and enforce rules concerning assessment of costs in disciplinary proceedings before the board.

(3) Establish examinations of applicants for licensure under this article and issue, deny, suspend, revoke, and renew licenses.



(4) Subject to IC 25-1-7, investigate and conduct hearings, upon complaint against individuals licensed or not licensed under this article, concerning alleged violation of this article, under procedures conducted in accordance with IC 4-21.5.

(5) Initiate the prosecution and enjoinder of any person violating this article.

(6) Adopt rules which are necessary for the proper performance of its duties, in accordance with IC 4-22-2.

(7) Establish a code of professional conduct.

(d) The board shall adopt rules establishing standards for the competent practice of psychology.

(e) All expenses incurred in the administration of this article shall be paid from the general fund upon appropriation being made in the manner provided by law for the making of such appropriations.

(f) The bureau shall do the following:

- (1) Carry out the administrative functions of the board.
- (2) Provide necessary personnel to carry out the duties of this article.
- (3) Receive and account for all fees required under this article.
- (4) Deposit fees collected with the treasurer of the state for deposit in the state general fund.

(g) The board shall adopt rules under IC 4-22-2 to establish, maintain, and update a list of restricted psychology tests and instruments (as defined in section 14(b) of this chapter) containing those psychology tests and instruments that, because of their design or complexity, create a danger to the public by being improperly administered and interpreted by an individual other than:

- (1) a psychologist licensed under IC 25-33-1-5.1;
- (2) an appropriately trained mental health provider under the direct supervision of a health service provider endorsed under IC 25-33-1-5.1(c);
- (3) a qualified physician licensed under IC 25-22.5;
- (4) a school psychologist who holds a valid:
  - (A) license issued by the ~~professional standards board~~ **department of education** under IC 20-1-1.4-2; or
  - (B) endorsement under IC 20-1-1.9;
- (5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance.

(h) The board shall provide to:

- (1) the social work certification and marriage and family therapists credentialing board; and
- (2) any other interested party upon receiving the request of the interested party;

a list of the names of tests and instruments proposed for inclusion on the list of restricted psychological tests and instruments under subsection (g) at least sixty (60) days before publishing notice of intent under IC 4-22-2-23 to adopt a rule regarding restricted tests and instruments.

(i) The social work certification and marriage and family therapists credentialing board and any other interested party that receives the list under subsection (h) may offer written comments or objections regarding a test or instrument proposed for inclusion on the list of restricted tests and instruments within sixty (60) days after receiving the list. If:

- (1) the comments or objections provide evidence indicating that a proposed test or instrument does not meet the criteria established for restricted tests and instruments, the board may delete that test from the list of restricted tests; and
- (2) the board determines that a proposed test or instrument meets the criteria for restriction after reviewing objections to the test or instrument, the board shall respond in writing to justify its decision to include the proposed test or instrument on the list of restricted tests and instruments.

(j) This section may not be interpreted to prevent a licensed or certified health care professional from practicing within the scope of the health care professional's:



1 (1) license or certification; and

2 (2) training or credentials.

3 SECTION 184. IC 25-33-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
4 2005]: Sec. 14. (a) This section does not apply to an individual who is:

5 (1) a member of a teaching faculty, at a public or private institution of higher learning for the  
6 purpose of teaching, research, or the exchange or dissemination of information and ideas as an  
7 assigned duty of the institution;

8 (2) a commissioned psychology officer in the regular United States armed services;

9 (3) licensed by the ~~professional standards board~~ **department of education** (established by  
10 ~~IC 20-1-1.4-2~~) **IC 20-19-3-1** as a school psychologist and using the title "school psychologist"  
11 or "school psychometrist" as an employee of a school corporation; or

12 (4) endorsed as an independent practice school psychologist under IC 20-1-1.9.

13 (b) As used in this section, "restricted psychology test or instrument" means a measurement  
14 instrument or device used for treatment planning, diagnosing, or classifying intelligence, mental and  
15 emotional disorders and disabilities, disorders of personality, or neuropsychological, neurocognitive,  
16 or cognitive functioning. The term does not apply to an educational instrument used in a school setting  
17 to assess educational progress or an appraisal instrument.

18 (c) It is unlawful for an individual to:

19 (1) claim that the individual is a psychologist; or

20 (2) use any title which uses the word "psychologist", "clinical psychologist", "Indiana endorsed  
21 school psychologist", or "psychometrist", or any variant of these words, such as "psychology",  
22 or "psychological", or "psychologic";

23 unless that individual holds a valid license issued under this article or a valid endorsement issued  
24 under IC 20-1-1.9.

25 (d) It is unlawful for any individual, regardless of title, to render, or offer to render, psychological  
26 services to individuals, organizations, or to the public, unless the individual holds a valid license  
27 issued under this article or a valid endorsement issued under IC 20-1-1.9 or is exempted under section  
28 1.1 of this chapter.

29 (e) It is unlawful for an individual, other than:

30 (1) a psychologist licensed under IC 25-33-1-5.1;

31 (2) an appropriately trained mental health provider under the direct supervision of a health  
32 service provider endorsed under IC 25-33-1-5.1(c);

33 (3) a qualified physician licensed under IC 25-22.5;

34 (4) a school psychologist who holds a valid:

35 (A) license issued by the ~~professional standards board~~ **department of education** under  
36 IC 20-1-1.4-2; or

37 (B) endorsement under IC 20-1-1.9;

38 who practices within the scope of the school psychologist's license or endorsement; or

39 (5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other  
40 assistance;

41 to administer or interpret a restricted psychology test or instrument as established by the board under  
42 ~~IC 25-33-1-3(g)~~ **section 3(g) of this chapter** in the course of rendering psychological services to  
43 individuals, organizations, or to the public.

44 (f) This section may not be interpreted to prevent a licensed or certified health care professional  
45 from practicing within the scope of the health care professional's:

46 (1) license or certification; and

47 (2) training or credentials.

48 SECTION 185. IC 29-1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,



2005]: Sec. 4. (a) **Except as provided in subsection (b)**, the right of election of the surviving spouse is personal to the spouse. It is not transferable and cannot be exercised subsequent to the spouse's death. A person with a valid power of attorney for the surviving spouse may elect for the spouse if the power of attorney has general authority with respect to estates as provided in IC 30-5-5-15(a)(4). If the surviving spouse is a protected person, the court may order the guardian of the spouse's estate to elect for the spouse.

(b) **The spousal election may be exercised subsequent to the spouse's death under the following circumstances:**

(1) **The surviving spouse died before the election could be made.**

(2) **The election is being made to recover Medicaid benefits that were paid on behalf of the deceased surviving spouse.**

**The office of Medicaid policy and planning may exercise the right of election under this subsection. The spousal election is only enforceable up to the amount of Medicaid benefits that were received and the amount may only be distributed to the office of Medicaid policy and planning.**

SECTION 186. IC 29-1-8-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) **Except as provided in subsection (g)**, forty-five (45) days after the death of a decedent and upon being presented an affidavit that complies with subsection (b), a person:

(1) indebted to the decedent; or

(2) having possession of personal property, or an instrument evidencing a debt, an obligation, a stock, or a chose in action belonging to the decedent;

shall make payment of the indebtedness or deliver the personal property or an instrument evidencing a debt, an obligation, a stock, or a chose in action to a person claiming to be entitled to payment or delivery of property of the decedent.

(b) The affidavit required by subsection (a) must be an affidavit made by or on behalf of the claimant stating that:

(1) the value of the gross probate estate, wherever located (less liens and encumbrances), does not exceed twenty-five thousand dollars (\$25,000);

(2) forty-five (45) days have elapsed since the death of the decedent;

(3) no application or petition for the appointment of a personal representative is pending or has been granted in any jurisdiction; and

(4) the claimant is entitled to payment or delivery of the property.

(c) If a motor vehicle or watercraft (as defined in IC 9-13-2-198.5) is part of the estate, nothing in this section shall prohibit a transfer of the certificate of title to the motor vehicle if five (5) days have elapsed since the death of the decedent and no appointment of a personal representative is contemplated. A transfer under this subsection shall be made by the bureau of motor vehicles upon receipt of an affidavit containing a statement of the conditions required by subsection (b)(1) and (b)(4). The affidavit must be duly executed by the distributees of the estate.

(d) A transfer agent of a security shall change the registered ownership on the books of a corporation from the decedent to a claimant upon the presentation of an affidavit as provided in subsection (a).

(e) For the purposes of subsection (a), an insurance company that, by reason of the death of the decedent, becomes obligated to pay a death benefit to the estate of the decedent is considered a person indebted to the decedent.

(f) For purposes of subsection (a), property in a safe deposit box rented by a decedent from a financial institution organized or reorganized under the law of any state (as defined in IC 28-2-17-19) or the United States is considered personal property belonging to the decedent in the possession of the financial institution.



1 (g) If an individual who has received medical assistance from the state under IC 12-15 has  
2 deposited personal funds with a health facility, the state may present the affidavit required  
3 under subsection (a) to the health facility if:

- 4 (1) at least fifteen (15) days have elapsed since the individual's death; and  
5 (2) the state does not believe that a personal representative will be appointed for the  
6 decedent.

7 The affidavit must state that at least fifteen (15) days have elapsed since the individual's death.

8 SECTION 187. IC 31-33-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
9 2005]: Sec. 2. (a) The local child protection service:

- 10 (1) must have sufficient qualified and trained staff to fulfill the purpose of this article;  
11 (2) must be organized to maximize the continuity of responsibility, care, and service of individual  
12 caseworkers toward individual children and families;  
13 (3) must provide training to representatives of the child protective services system regarding the  
14 legal duties of the representatives, which may consist of various methods of informing the  
15 representatives of their duties, in order to protect the legal rights and safety of children and  
16 families from the initial time of contact during the investigation through treatment; and  
17 (4) must provide training to representatives of the child protective services system regarding the  
18 constitutional rights of the child's family, including a child's guardian or custodian, that is the  
19 subject of an investigation of child abuse or neglect consistent with the Fourth Amendment to the  
20 United States Constitution and Article I, Section 11 of the Constitution of the State of Indiana.

21 (b) This section expires June 30, 2008.

22 SECTION 188. IC 31-33-2-2.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO  
23 READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2.1. (a) This section applies after June  
24 30, 2008.

25 (b) The local child protection service:

26 (1) must have sufficient qualified and trained staff to:

- 27 (A) fulfill the purpose of this article; and  
28 (B) comply with the maximum caseload ratios for:  
29 (i) child protection caseworkers; and  
30 (ii) child welfare caseworkers;  
31 set forth in IC 12-13-14.5-3.5;

32 (2) must be organized to maximize the continuity of responsibility, care, and service of  
33 individual caseworkers toward individual children and families;

34 (3) must provide training to representatives of the child protective services system  
35 regarding the legal duties of the representatives, which may consist of various methods of  
36 informing the representatives of their duties, in order to protect the legal rights and safety  
37 of children and families from the initial time of contact during the investigation through  
38 treatment; and

39 (4) must provide training to representatives of the child protective services system  
40 regarding the constitutional rights of the child's family, including a child's guardian or  
41 custodian, that is the subject of an investigation of child abuse or neglect consistent with the  
42 Fourth Amendment to the United States Constitution and Article I, Section 11 of the  
43 Constitution of the State of Indiana.

44 SECTION 189. IC 32-34-1-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
45 2004 (RETROACTIVE)]: Sec. 34. (a) Except as provided in section 42(d) of this chapter, the treasurer  
46 of state shall, on order of the attorney general, pay the necessary costs of the following:

- 47 (1) Selling abandoned property.  
48 (2) Mailing notices.



(3) Making publications required by this chapter.

(4) Paying other operating expenses and administrative expenses, including:

(A) salaries and wages reasonably incurred by the attorney general in the administration and enforcement of this chapter; and

(B) costs incurred in examining records of the holders of property and in collecting the property from the holders.

(b) If the balance of the principal of the abandoned property fund established by section 33 of this chapter exceeds five hundred thousand dollars (\$500,000), the treasurer of state may, and at least once each fiscal year shall, transfer to the ~~common school state general fund of the state~~ the balance of the principal of the abandoned property fund that exceeds five hundred thousand dollars (\$500,000).

(c) If a claim is allowed or a refund is ordered under this chapter that is more than five hundred thousand dollars (\$500,000), the treasurer of state shall transfer from the state general fund sufficient money to make prompt payment of the claim. There is annually appropriated to the treasurer of state from the state general fund the amount of money sufficient to implement this subsection.

(d) Before making a deposit into the abandoned property fund, the attorney general shall record the following:

(1) The name and last known address of each person appearing from the holder's reports to be entitled to the abandoned property.

(2) The name and last known address of each insured person or annuitant.

(3) The number, the name of the corporation, and the amount due concerning any policy or contract listed in the report of a life insurance company.

(e) Except as provided in subsection (f), earnings on the property custody fund and the abandoned property fund shall be credited to each fund.

(f) On July 1 of each year, the interest balance in the property custody fund established by section 32 of this chapter and the interest balance in the abandoned property fund shall be transferred to the state general fund.

SECTION 190. IC 32-34-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) If a sum of money remains in the abandoned property fund for at least five (5) years after the date the money is deposited in the fund under section 2(d) of this chapter without any order directing the return of the money:

(1) title to the sum vests in and escheats to the state; and

(2) the sum shall be ~~distributed as part of the common school~~ **deposited in the state general fund**.

(b) Any claimant who does not file an application with the court within five (5) years after the sum is deposited in the unclaimed funds account is barred from asserting a claim.

SECTION 191. IC 32-34-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person who finds and secures any boats, fleets of timber, rafts, platforms, sawlogs, or other logs or trees prepared for the purpose of sale, or any cross or railroad ties, boards, planks, staves, heading, or other timber prepared for market that is the property of another and that is found adrift in the waters of Indiana without a boom or other arrangement provided by the owner to preserve the logs or timber below the point at which they are found, whether the logs or timber have a brand or not, is entitled to receive from the owner the following compensation:

(1) For each freight boat or other heavy boat, two dollars (\$2) per ton for all cargo.

(2) For each jack-boat, skiff, or canoe, one dollar (\$1).

(3) For each fleet of timber, fifty dollars (\$50).

(4) For each raft of not less than forty (40) logs, fifteen dollars (\$15).

(5) For each platform of at least ten (10) logs, four dollars (\$4).

(6) For each sawlog or other log or tree prepared for sale, fifty cents (\$0.50).



- (7) For each cross or railroad tie, fifteen cents (\$0.15).  
(8) For boards or planks caught in rafts or a large body:  
(A) one dollar (\$1) per one thousand (1,000) board feet for a quantity twenty thousand (20,000) board feet or less; or  
(B) fifty cents (\$0.50) per one thousand (1,000) board feet for a quantity greater than twenty thousand (20,000) board feet.  
(9) For loose and scattered boards or planks, five dollars and fifty cents (\$5.50) per one thousand (1,000) board feet.  
(10) For staves and heading, four dollars (\$4) per one thousand (1,000) pieces that are merchantable.

(b) The compensation due under subsection (a) is payable by the owner, if required, upon the delivery to the owner of the logs or timber.

(c) The finder has a lien upon the property found for the charges provided in subsection (a).

(d) If the owner of the property fails to pay the compensation due under subsection (a) within sixty (60) days after the day the property is found, the property may be sold at the request of the person to whom the compensation is due by a constable, sheriff, or other officer of the county in which the property was found. The sale must be at the courthouse door at public auction to the highest bidder, upon thirty (30) days written or printed notice that gives the time and place of sale and a written or printed description of the property and any marks or brands on the property. The notice of the sale must be posted at the front door of the courthouse of the county in which the sale is to be made and at two (2) other public places in the county where the property is located. It is the duty of the constable or other officer making the sale to pay to the finder the finder's legal fees and charges after deducting the constable's or other officer's commission. The commission charged may be the same as if the constable or other officer had sold the same property under execution. If any sale money remains after payment of the charges and fees described in this section, the constable or other officer shall pay the remainder to the clerk of the circuit court in the county in which the sale occurred and obtain a receipt for the amount. If the constable or other officer fails to perform the constable's or other officer's duties under this chapter, the constable or other officer is liable on the constable's or other officer's official bond to the party aggrieved.

(e) If the owner, within one (1) year after the date of the sale, appears before the county judge of the county where the money is deposited with the clerk and establishes the owner's right to the satisfaction of the court to the money, the money must, upon the order of the county judge, be paid over to the owner by the clerk; otherwise, it shall be paid into the ~~common school~~ **state general fund of Indiana**.

(f) This chapter may not be construed to permit a person to recover under subsection (a) for any fleet of timber, raft or platform, sawlog, or other log or tree prepared for the purpose of sale, or any cross or railroad tie, board, plank, stave, heading, or other timber prepared for the market that is above any boom or other arrangement made by the owner to preserve the logs or timber.

SECTION 192. IC 33-23-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A senior judge is entitled to the following compensation:

- (1) For each of the first thirty (30) days of service in a calendar year, a per diem of fifty dollars (\$50).  
(2) Except as provided in subsection (c), for each day the senior judge serves after serving the first thirty (30) days of service in a calendar year, a per diem of ~~one two~~ **two** hundred dollars ~~(\$100)~~ **(\$200)**.  
(3) Reimbursement for:  
(A) mileage; and  
(B) reasonable expenses, including but not limited to meals and lodging, incurred in



1 performing service as a senior judge;  
2 for each day served as a senior judge.

3 (b) Subject to subsection (c), the per diem and reimbursement for mileage and reasonable expenses  
4 under subsection (a) shall be paid by the state.

5 (c) The compensation under subsection (a)(2) must be paid by the state from funds appropriated  
6 to the supreme court for judicial payroll. If the payroll fund is insufficient to pay the compensation  
7 under subsection (a)(2), the supreme court may issue an order adjusting the compensation rate.

8 (d) A senior judge appointed under this chapter may not be compensated as a senior judge for more  
9 than one hundred (100) total calendar days during a calendar year.

10 SECTION 193. IC 33-33-48-7.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION  
11 TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 7.5. (a) The judges of the Madison  
12 superior court may jointly appoint one (1) full-time magistrate under IC 33-23-5 to serve the  
13 superior court.**

14 **(b) The magistrate continues in office until removed by the judges of the superior court.**

15 SECTION 194. IC 33-33-62-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
16 2005]: Sec. 1. (a) Perry County constitutes the seventieth judicial circuit.

17 (b) The Perry circuit court has a standard small claims and misdemeanor division.

18 **(c) The judge of the Perry circuit court may appoint one (1) full-time magistrate under  
19 IC 33-23-5. The magistrate continues in office until removed by the judge.**

20 SECTION 195. IC 33-33-84-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
21 2005]: Sec. 3. There is established a court of record to be known as the Vigo superior court. The  
22 superior court has ~~four (4)~~ **five (5)** judges who shall hold their office for six (6) years and until their  
23 successors have been elected and qualified.

24 SECTION 196. IC 34-16-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1,  
25 2005]: Sec. 4. If, within the one hundred eighty (180) day period, the person fails to sue or to  
26 effectively prosecute the action, the prosecuting attorney of the county shall bring a civil action to  
27 recover the money or other property so lost and delivered, in the name of the state and for the benefit  
28 of:

29 (1) the person's dependent children who are less than eighteen (18) years of age and the person's  
30 spouse; or

31 (2) if there are no children or spouse, the ~~common school~~ **state general** fund.

32 SECTION 197. P.L.224-2003, SECTION 174 IS REPEALED [EFFECTIVE JANUARY 1, 2005  
33 (RETROACTIVE)].

34 SECTION 198. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2006]:  
35 IC 21-2-4-7; IC 21-2-11.5-5; IC 21-2-15-13.1; IC 21-3-1.7-6; IC 21-3-1.7-9.5; IC 21-3-1.7-9.7;  
36 IC 21-3-1.7-9.9; IC 21-3-4.5.

37 SECTION 199. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]:  
38 IC 20-6.1-3-1.5; IC 20-6.1-3-6; IC 20-10.2-2-9.5.

39 SECTION 200. IC 14-11-2-3 IS REPEALED [EFFECTIVE UPON PASSAGE].

40 SECTION 201. IC 12-15-9-0.7 IS REPEALED [EFFECTIVE JULY 1, 2005].

41 SECTION 202. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]:  
42 IC 20-12-3.2-3; IC 27-8-27-7.

43 SECTION 203. P.L.224-2003, SECTION 173, IS AMENDED TO READ AS FOLLOWS  
44 [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: SECTION 173. (a) Notwithstanding  
45 IC 21-3-1.6-1.2 ~~as added by this act~~, and IC 21-3-1.7, the tuition support determined under  
46 IC 21-3-1.7-8 **(repealed)** and **IC 21-3-1.7-8.2** for a school corporation shall be reduced as follows:

47 (1) For 2001, the previous year's revenue determined without regard to IC 21-3-1.6-1.2 ~~as added~~  
48 ~~by this act~~, shall be reduced by an amount determined under the following STEPS:





STEP ONE: Determine the difference between:

(A) the school corporation's average daily membership count for 2000, without regard to IC 21-3-1.6-1.2; ~~as added by this act~~; minus

(B) the school corporation's average daily membership count for 2000, as adjusted by the school corporation under this act after applying IC 21-3-1.6-1.2. ~~as added by this act~~.

STEP TWO: Determine the result of:

(A) the school corporation's previous year's revenue under IC 21-3-1.7-3.1, without regard to IC 21-3-1.6-1.2; ~~as added by this act~~; divided by

(B) the school corporation's average daily membership for 2000, without regard to IC 21-3-1.6-1.2. ~~as added by this act~~.

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

STEP FOUR: Multiply the STEP THREE result by one-third (1/3).

(2) For 2002, the previous year revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act~~, shall be reduced by an amount equal to the result under the following:

(A) Determine the result of:

(i) the amount determined under STEP THREE of subdivision (1); minus

(ii) the amount determined under STEP FOUR of subdivision (1).

(B) Divide the clause (A) result by three (3).

(C) Multiply the clause (B) result by one and three-hundredths (1.03).

(3) For 2003, the previous year revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act~~, shall be reduced by an amount equal to the reduction amount under subdivision (2) multiplied by one and two-hundredths (1.02).

(4) For 2005, **the previous year revenue determined without regard to IC 21-3-1.6-1.2 shall be reduced by an amount equal to** the product of:

(A) the reduction amount under subdivision (3) divided by three (3); multiplied by

(B) one and three-hundredths (1.03).

(5) For 2006 and 2007, the ~~product of:~~

~~(A) previous year revenue determined without regard to IC 21-3-1.6-1.2 shall be reduced by an amount equal to~~ the reduction amount under subdivision ~~(4) divided by three (3); multiplied by~~

~~(B) one and one-hundredth (1.01): 4.~~

(b) This SECTION expires January 1, 2008.

SECTION 204. [EFFECTIVE UPON PASSAGE] **(a) The department of education shall adjust distributions made to a school corporation, including a charter school, after the effective date of this SECTION to eliminate the difference between the state primetime distribution that the school corporation, including a charter school, received, as a result of IC 21-1-30-3, as amended by P.L.224-2003, SECTION 141, and the state primetime distribution to which the school corporation, including a charter school, is entitled to receive under IC 21-1-30-3, as amended by this act.**

**(b) The adjustments required under this SECTION shall be made on the schedule determined by the department of education.**

SECTION 205. [EFFECTIVE JULY 1, 2005] **(a) The professional standards board established by IC 20-1-1.4-2 is abolished.**

**(b) The following are transferred on July 1, 2005, from the professional standards board to the department of education established by IC 20-19-3-1:**

**(1) All real and personal property of the professional standards board.**

**(2) All powers, duties, assets, and liabilities of the professional standards board.**

**(3) All appropriations to the professional standards board.**



(c) Money in the professional standards board licensing fund established by P.L.224-2003, SECTION 9, is transferred on July 1, 2005, to the professional standards fund established by IC 20-1-1.4-11, as added by this act.

(d) Rules that were adopted by the professional standards board before July 1, 2005, shall be treated as though the rules were adopted by the advisory board of the division of professional standards of the department of education established by IC 20-1-1.4-3.

(e) After June 30, 2005, a reference to the professional standards board in a statute or rule shall be treated as a reference to the division of professional standards established by IC 20-1-1.4-2.5, as added by this act.

(f) The members appointed before July 1, 2005, to the professional standards board:

(1) become members of the advisory board for the division of professional standards established by IC 20-1-1.4-3, as amended by this act; and

(2) may serve until the expiration of the term for which the members were appointed.

(g) A license or permit issued by the professional standards board before July 1, 2005, shall be treated after June 30, 2005, as a license or permit issued by the department of education established by IC 20-19-3-1.

(h) Proceedings pending before the professional standards board on July 1, 2005, shall be transferred from the professional standards board to the department of education and treated as if initiated by the department of education established by IC 20-19-3-1.

SECTION 206. [EFFECTIVE JULY 1, 2005] The board shall allocate from the pension stabilization fund (IC 21-6.1-2-8) to the Indiana state teachers' retirement fund's 1996 account an amount equal to the liability for individuals who were members of the Indiana state teachers' retirement fund's pre-1996 account before July 1, 1995, (and survivors and beneficiaries of these members) who after June 30, 1995, became members of the Indiana state teachers' retirement fund's 1996 account.

SECTION 207. [EFFECTIVE JULY 1, 2005] (a) As used in this SECTION, "fund" refers to the public employees' retirement fund, with respect to members (and survivors and beneficiaries of members) of the fund.

(b) The amount determined in this SECTION shall be paid from the fund on or before December 1, 2005, to any person who was a retired member of the fund (or to a survivor or beneficiary of a retired member of the fund) before January 1, 2005, and who was entitled to receive a monthly benefit on November 1, 2005. The amount shall be paid in a single check. The amount is not an increase in the pension portion of the monthly benefit.

(c) The amount determined under the following formula shall be paid from the fund to a retired member of the fund (or to a survivor or beneficiary of a retired member of the fund) who meets the requirements of subsection (b):

STEP ONE: Multiply by twelve (12) the pension portion, plus postretirement increases to the pension portion, of the monthly benefit that was payable to the retired member of the fund (or to a survivor or beneficiary of the retired member of the fund) and provided by employer contributions during the month before the payment is made under this SECTION.

STEP TWO: Multiply the amount determined in STEP ONE by the applicable percentage from the following table:

Calendar Year of Last Retirement of Member	Applicable Percentage
Before 1990	2%
1990 through 2004	1%

(d) This SECTION expires July 1, 2006.



1 SECTION 208. [EFFECTIVE JULY 1, 2005] (a) IC 4-24-7-4(b), as amended by this act, applies  
2 only to accounts for claims at a juvenile institution that the department of correction may have  
3 against any county for the payment of the county's portion of the cost of the maintenance of any  
4 inmate of the institution for days served after June 30, 2005.

5 (b) If a county has an account with an outstanding balance on June 30, 2005, for claims that  
6 the department of correction may have against any county for the payment of the county's  
7 portion of the cost of the maintenance of any inmate of the juvenile institution for days served  
8 before July 1, 2005, the county and budget agency shall attempt to establish a repayment plan  
9 before August 15, 2005. If an agreement on a repayment plan is not signed before August 15,  
10 2005, the auditor of state shall, notwithstanding anything to the contrary in IC 6-1.1-21, reduce  
11 the distributions of property tax replacement credits under IC 6-1.1-21 to the county and  
12 withhold the amount owed on the account by spreading the reductions equally over the  
13 distributions in those state fiscal years that end in 2006, 2007, 2008, and 2009. The auditor of  
14 state shall credit the contract payments or any withheld amount to the state general fund for the  
15 purpose of curing the default. The account is then considered paid to the extent of the withheld  
16 amount. A county that has the county's distribution reduced under this SECTION shall apply  
17 the withheld amount only to the county unit's share of the distribution and may not reduce a  
18 distribution to any other civil taxing unit or school corporation within the county.

19 (c) This SECTION expires July 2, 2009.

20 SECTION 209. [EFFECTIVE JULY 1, 2005] (a) The division of family and children shall  
21 submit a report to the legislative council and the health finance commission established by  
22 IC 2-5-23-3 that contains statistics concerning the education levels and salaries of all:

23 (1) child protection caseworkers and child welfare caseworkers; and

24 (2) child protection caseworker and child welfare caseworker supervisors;  
25 by September 1, 2005.

26 (b) The report required by subsection (a) must be in an electronic format under IC 5-14-6.

27 (c) This SECTION expires December 31, 2005.

28 SECTION 210. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "office" refers  
29 to the office of Medicaid policy and planning established by IC 12-8-6-1.

30 (b) The office shall apply to the United States Department of Health and Human Services to  
31 amend the state Medicaid plan concerning limiting dental and chiropractic services in the  
32 following manner:

33 (1) A Medicaid recipient who is at least twenty-one (21) years of age is only eligible for the  
34 following dental services without prior authorization under the Medicaid program:

35 (A) Diagnostic and preventative care.

36 (B) Direct restorations.

37 (C) Treatment of lesions.

38 (D) Extractions.

39 (E) Periodontal treatment for pregnant women.

40 (F) Emergency and trauma care.

41 The office may authorize other dental services not listed in this subdivision for a Medicaid  
42 recipient if the recipient first obtains prior authorization from the office for the dental service.

43 (2) A Medicaid recipient who is less than twelve (12) years of age is not eligible for  
44 chiropractic services under the Medicaid program unless a physician licensed under IC 25-  
45 22.5 determines that the service is medically necessary.

46 (c) The office may not implement the amendment until the office files an affidavit with the  
47 governor attesting that the amendment applied for under this SECTION is in effect. The office  
48 shall file the affidavit under this subsection not later than five (5) days after the office is notified



1 that an amendment is approved.

2 (d) If the office receives approval for an amendment under this SECTION from the United  
3 States Department of Health and Human Services and the governor receives the affidavit filed  
4 under subsection (c), the office shall implement the amendment not more than thirty (30) days  
5 after the governor receives the affidavit.

6 (e) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

7 (f) This SECTION expires December 31, 2012.

8 SECTION 211. [EFFECTIVE JULY 1, 2005] (a) This SECTION covers officer positions created  
9 for the 2005 legislative session that were not set forth in P.L.274-2003, SECTION 3.

10 (b) The following officers of the senate are entitled to the following amounts to be paid after  
11 June 30, 2005, and before December 31, 2005. These amounts are in addition to the subsistence  
12 allowance: appropriations committee chair, \$5,000; tax and fiscal policy committee chair,  
13 \$5,000; appropriations committee ranking majority member, \$1,500; tax and fiscal policy  
14 committee ranking majority member, \$1,500; appropriations committee ranking minority  
15 member, \$2,000; tax and fiscal policy committee ranking minority member, \$2,000.

16 (c) The following officers of the house of representatives are entitled to the following amounts  
17 to be paid after June 30, 2005, and before December 31, 2005. These amounts are in addition to  
18 the subsistence allowance: chairman of the education subcommittee, \$1,500.

19 (d) This SECTION expires December 31, 2005.

20 SECTION 212. [EFFECTIVE UPON PASSAGE] On the effective date of this SECTION, the  
21 powers of the department of natural resources to establish fees are transferred to the natural  
22 resources commission. After the effective date of this SECTION, the natural resources  
23 commission may exercise any power delegated to the department of natural resources to  
24 establish fees, and a rule of the department of natural resources that establishes a fee for any  
25 of the following shall be treated as a rule of the natural resources commission:

26 (1) Programs of the department of natural resources or the natural resources commission.

27 (2) Facilities owned or operated by the department of natural resources or the natural  
28 resources commission or a lessee of the department of natural resources or the natural  
29 resources commission.

30 (3) Licenses issued by the natural resources commission, the department of natural  
31 resources, or the director of the department of natural resources.

32 (4) Inspections or other similar services under IC 14 performed by the department of  
33 natural resources or an assistant or employee of the department of natural resources.

34 SECTION 213. [EFFECTIVE UPON PASSAGE] (a) The commission for higher education shall  
35 complete the establishment of the initial core transfer library under IC 20-12-0.5-8(18), as  
36 amended by this act, for at least seventy (70) courses and the initial articulation agreements for  
37 at least twelve (12) degree programs under IC 20-12-0.5-8(19), as amended by this act, before  
38 July 1, 2007. State educational institutions shall assist the commission for higher education as  
39 necessary to comply with this SECTION.

40 (b) This SECTION expires June 30, 2008.

41 SECTION 214. [EFFECTIVE JULY 1, 2005] (a) Effective July 1, 2005, the names of the  
42 Indiana University programs, centers, and schools related to medicine are changed to those set  
43 forth in IC 20-12-30.5-2, as amended by this act.

44 (b) A reference to the former name described in IC 20-12-30.5-2, as amended by this act, in  
45 any law, rule, or document shall be treated after June 30, 2005, as a reference to the new name  
46 given to the program, center, or school.

47 (c) The legislative council shall provide for the preparation of legislation to change the  
48 references in all laws to the programs, centers, and schools described in IC 20-12-30.5-2, as



1 amended by this act.

2 SECTION 215. [EFFECTIVE JULY 1, 2005] (a) The trustees of following institutions may issue  
3 and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the  
4 following projects if the sum of principal costs of any bond issued, excluding amounts necessary  
5 to provide money for debt service reserves, credit enhancement, or other costs incidental to the  
6 issuance of the bonds, does not exceed the total authority listed below for that institution:

7	Indiana University - South Bend Campus	
8	Education and Arts Building Renovation	25,750,000
9	Ivy Tech - Valparaiso New Campus - Phase II	20,000,000
10	Ivy Tech - Madison Main Campus Expansion	19,144,000
11	Ivy Tech - Marion New Campus	17,615,000
12	University of Southern Indiana - Education/Science Building	
13	Completion SOB/GCB A&E, and Physical Plant Expansion	6,600,000
14	Indiana State University - University Hall Renovation for	
15	College of Education	26,880,000

16 The foregoing projects are eligible for fee replacement appropriations.

17	University of Southern Indiana - Recreation and Fitness Center	
18	Expansion Phase II and III	7,250,000

19 The foregoing project is not eligible for fee replacement appropriations.

20 (b) The trustees of following institutions may issue and sell bonds under IC 20-12-6, subject  
21 to the approvals required by IC 20-12-5.5, for the following projects if the sum of principal costs  
22 of any bond issued, excluding amounts necessary to provide money for debt service reserves,  
23 credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the  
24 total authority listed below for that institution:

25	Indiana University - Bloomington Campus - Central Heating	
26	Plant Renovation Phase I	45,000,000
27	Purdue University - West Lafayette Campus - Infrastructure	
28	and Utilities Improvement	43,600,000
29	Ball State University - Boiler Plant Replacement and Chilled	
30	Water Plant Improvements	48,000,000

31 The budget agency shall, with the cooperation of the institutions, coordinate the planning, direct  
32 a process for developing detailed specifications, and develop a coordinated plan for contracting  
33 and implementing the construction and operation of the above projects. The projects may not  
34 be commenced by the institutions until alternatives for the projects such as privatization, joint  
35 ownership, phased construction, and joint operation of the improvements have been considered  
36 by the budget agency and the institutions. The coordinated plan may include alternatives  
37 required by the budget agency. The projects are eligible for fee replacement appropriations.

38 SECTION 216. [EFFECTIVE JULY 1, 2005] (a) The budget agency shall make an early  
39 distribution of state tuition support to school corporations under IC 21-3-1.7 that may not  
40 exceed fifty percent (50%) of the most recent accrued tuition support payment delay balance,  
41 as determined by the budget agency. The distribution is to reduce accrued payment delay  
42 balances to school corporations that were created because of the distribution of eleven-twelfths  
43 (11/12) of the appropriated amount in the state fiscal year ending June 30, 2002. If the budget  
44 agency determines that insufficient combined balances exist to make an early distribution of  
45 fifty percent (50%), the budget agency may make an early distribution that is less than fifty  
46 percent (50%), so long as the percentage of the accrued payment delay is the same under this  
47 subsection as that used under subsection (b). An early distribution under this subsection is to  
48 be treated as a tuition support distribution under IC 21-3-1.7 for the calendar year in which the



1 early distribution is made.

2 (b) The budget agency shall make an early distribution of property tax replacement credits  
3 and homestead credits under IC 6-1.1-21 that may not exceed fifty percent (50%) of the most  
4 recent accrued property tax replacement credit and homestead credit payment delay balance,  
5 as determined by the budget agency. The distribution is to reduce accrued payment delay  
6 balances that were created because of the statutory change in IC 6-1.1-21-10 that was made by  
7 P.L.192-2002(ss), SECTION 43, to move the May distribution to July beginning with the May  
8 2003 distribution. If the budget agency determines that insufficient combined balances exist to  
9 make an early distribution of fifty percent (50%), the budget agency may make an early  
10 distribution that is less than fifty percent (50%), so long as the percentage of the accrued  
11 payment delay is the same under this subsection as that used under subsection (a). An early  
12 distribution under this subsection is to be treated as a distribution under IC 6-1.1-21 for the  
13 calendar year in which the early distribution is made.

14 (c) Distributions under this SECTION:

15 (1) may be made in one (1) or more installments before July 1, 2007;

16 (2) shall be separately allotted and the accrued payment delay balances for the state fiscal  
17 year shall be reduced accordingly.

18 (d) There is appropriated from the state general fund or property tax replacement fund to  
19 the budget agency the amount necessary to make early distributions under this SECTION.

20 (e) This SECTION expires July 2, 2007.

21 SECTION 217. [EFFECTIVE JULY 1, 2005] For purposes of reconciling the amount the  
22 property tax replacement fund paid under IC 4-33-13-5(g) to entities covered by IC 6-3.1-20-7,  
23 with respect to taxable years ending in 2001, 2002, and 2003, the treasurer of state shall reduce  
24 the supplemental distributions under IC 4-33-13-5(g) to the entities covered by IC 6-3.1-20-7.  
25 The total reduction amount is what is necessary so that the property tax replacement fund  
26 realizes the difference between payments made compared to the payments that should have been  
27 made had the reimbursement under IC 6-3.1-20-7 been treated as provided in IC 4-33-13-5(g),  
28 as amended by this act. The reduction shall be allocated equally to the supplemental  
29 distributions made before September 2005, 2006, and 2007 for state fiscal years ending in 2006,  
30 2007, and 2008.

31 SECTION 218. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)] IC 6-1.1-3-23, as amended  
32 by this act, applies only to property taxes first due and payable after December 31, 2004.

33 SECTION 219. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] (a) As used in this  
34 SECTION, "taxable year" has the meaning set forth in IC 6-3-1-16.

35 (b) IC 6-3-1-11, as amended by this act, applies only to taxable years beginning after  
36 December 31, 2004.

37 SECTION 220. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)] IC 6-3-1-3.5 and  
38 IC 6-5.5-1-2, both as amended by this act, apply only to taxable years beginning after December  
39 31, 2004.

40 SECTION 221. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)] (a) Notwithstanding  
41 IC 6-3-1-11, as effective before the passage of this act, this SECTION applies to taxable years  
42 beginning after December 31, 2003, and before January 1, 2005.

43 (b) As used in this SECTION, "Internal Revenue Code" means the Internal Revenue Code  
44 of 1986 of the United States as amended and in effect on January 1, 2004.

45 (c) Whenever the Internal Revenue Code is mentioned in IC 6-3, the particular provisions  
46 that are referred to, together with all the other provisions of the Internal Revenue Code in effect  
47 on January 1, 2004, that pertain to the provisions specifically mentioned, shall be regarded as  
48 incorporated in IC 6-3 by reference and have the same force and effect as though fully set forth



1 in IC 6-3. To the extent the provisions apply to IC 6-3, regulations adopted under Section 7805(a)  
2 of the Internal Revenue Code and in effect on January 1, 2004, shall be regarded as rules  
3 adopted by the department under IC 6-3, unless the department adopts specific rules that  
4 supersede the regulation.

5 (d) An amendment to the Internal Revenue Code made by an act passed by Congress before  
6 January 1, 2004, that is effective for any taxable year that began before January 1, 2004, and  
7 that affects:

8 (1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue  
9 Code);

10 (2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

11 (3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue  
12 Code);

13 (4) life insurance company taxable income (as defined in Section 801(b) of the Internal  
14 Revenue Code);

15 (5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal  
16 Revenue Code); or

17 (6) taxable income (as defined in Section 832 of the Internal Revenue Code);

18 is also effective for that same taxable year for purposes of determining adjusted gross income  
19 under IC 6-3-1-3.5.

20 (e) However, this act may not be construed to authorize a taxpayer to deduct, in computing  
21 the taxpayer's Indiana adjusted gross income, the amount of bonus depreciation (as defined in  
22 IC 6-3-12-33, as amended by this act, or IC 6-5.5-1-20, as amended by this act, as applicable) or  
23 a deduction under Section 179 of the Internal Revenue Code in a total amount exceeding  
24 twenty-five thousand dollars (\$25,000) in any taxable year beginning before January 1, 2005.

25 SECTION 222. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding IC 12-17-15-17, as  
26 amended by this act, the budget agency shall submit a report to the health finance commission  
27 established by IC 2-5-23 and the budget committee containing the following information  
28 concerning the funding for the infants and toddlers with disabilities program under IC 12-17-15:

29 (1) The total amount billed to a federal or state program in state fiscal year 2004 for  
30 services provided under the infants and toddlers with disabilities program, including  
31 amounts billed to the following programs:

32 (A) Medicaid.

33 (B) The children's health insurance program.

34 (C) The federal Temporary Assistance to Needy Families (TANF) program (45 CFR  
35 265).

36 (D) Any other state or federal program.

37 (2) The total amount billed in state fiscal year 2004 to an insurance company for services  
38 provided under the infants and toddlers with disabilities program and the total amount  
39 reimbursed by the insurance company.

40 (3) The total copayments collected for the infants and toddlers with disabilities program  
41 in state fiscal year 2004.

42 (4) The total administrative expenditures for state fiscal year 2004.

43 The report required under this SECTION must be submitted in an electronic format under  
44 IC 5-14-6 before September 1, 2005.

45 (b) This SECTION expires January 1, 2006.

46 SECTION 223. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "program"  
47 refers to the community and home options to institutional care for the elderly and disabled  
48 (CHOICE) program established by IC 12-10-10.



1 (b) The office of the secretary of family and social services shall submit the following  
2 information in electronic format under IC 5-14-6 to the legislative services agency not later than  
3 July 15, 2005, concerning the program for fiscal year 2005:

4 (1) The total number of individuals participating in the program.

5 (2) The total expenditures for the program.

6 (3) Information concerning each individual participating in the program, including the  
7 following:

8 (A) The number of activities of daily living (ADL) that an individual is unable to  
9 perform.

10 (B) The individual's monthly income and any deductions by source.

11 (C) The amount of assets reported by the individual, as determined by the division.

12 (D) The services provided to the individual.

13 (E) The cost of each service provided to the individual.

14 (F) The copayment, if any, that the individual is required to pay and the amount paid  
15 by the individual.

16 (G) Whether the individual participates in a Medicaid waiver or is Medicaid eligible.

17 (H) The county and the area agency on aging region in which the individual resides.

18 (4) The reimbursement rate for services provided under the program for each area agency  
19 on aging region in the preceding fiscal year.

20 (5) The number of individuals on a waiting list for the program and any services being  
21 received by the individual from the state while the individual is on the waiting list.

22 (c) The legislative services agency shall review the information submitted under this  
23 SECTION and compile a report determining the compliance of the submitted information with  
24 the requirements of this SECTION. The report must be submitted to the health finance  
25 commission established by IC 2-5-23 and the budget committee not later than September 1,  
26 2005.

27 (d) This SECTION expires December 31, 2005.

28 SECTION 224. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding IC 33-33-84-3, as amended  
29 by this act, the Vigo superior court is not expanded to five (5) judges until January 1, 2006.

30 (b) The governor shall appoint a person under IC 3-13-6-1(c) to serve as the initial judge  
31 added to the Vigo superior court by IC 33-33-84-3, as amended by this act.

32 (c) The term of the initial judge appointed under subsection (b) begins January 1, 2006, and  
33 ends December 31, 2006.

34 (d) The initial election of the judge of the Vigo superior court added by IC 33-33-84-3, as  
35 amended by this act, is the general election in November 2006. The term of the initially elected  
36 judge begins January 1, 2007.

37 (e) This SECTION expires January 2, 2007.

38 SECTION 225. An emergency is declared for this act.





## COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1001, has had the same under consideration and begs leave to report the same back to the House with the recommendation that that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1001 as introduced.)

ESPICH, Chair

Committee Vote: yeas 15, nays 10.

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## HOUSE MOTION

Mr. Speaker: I move that House Bill 1001 be amended to read as follows:

Page 45, line 33, after "program." insert "**Not more than \$279,000 in each state fiscal year may be allocated from the above appropriations to the farm counseling program.**".

Page 67, line 1, after "counties." insert "**Money appropriated to the local health maintenance fund must be allocated under the following schedule each year to each local board of health whose application for funding is approved by the state department of health:**

COUNTY POPULATION	AMOUNT OF GRANT
over 499,999	94,112
100,000 - 499,999	72,672
50,000 - 99,999	48,859
under 50,000	33,139."

Page 68, line 16, delete "23,078,419 23,078,419" and insert "**23,143,919 23,143,919**".

Page 68, line 31, delete "- REGIONAL MEDICAL CENTERS" and insert "**SCHOOL OF MEDICINE** —".

Page 68, line 32, delete "REGIONAL MEDICAL CENTER".

Page 68, line 34, delete "REGIONAL MEDICAL CENTER".

Page 68, line 36, delete "REGIONAL MEDICAL CENTER".

Page 68, line 38, delete "REGIONAL MEDICAL CENTER".

Page 68, line 40, delete "REGIONAL MEDICAL CENTER".

Page 68, line 42, delete "REGIONAL MEDICAL CENTER".

Page 68, line 44, delete "REGIONAL MEDICAL CENTER".



Page 68, line 47, after "medicine" insert "- Indianapolis".

Page 118, line 12, after "levies" delete "." and insert "(as defined in IC 6-1.1-19) received for deposit in the calendar year in which the school year begins.".

Page 118, line 16, after "IC 6-3.5" delete "." and insert "received for deposit in the calendar year in which the school year begins.".

Page 123, between lines 12 and 13, begin a new paragraph and insert:

"SECTION 80. IC 20-12-30.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The Indiana Statewide Medical Education System shall include, but not be limited to, centers for comprehensive medical education established in cooperation with existing medical and educational institutions in Gary, Fort Wayne, Lafayette, Evansville, South Bend, Terre Haute, and Muncie, Indiana. These centers shall be known separately and respectively as **Indiana University School of Medicine**—Northwest, **Center for Medical Education at Gary**, **Indiana University School of Medicine**—Fort Wayne, **Center for Medical Education**, **Indiana University School of Medicine**—Lafayette, **Center for Medical Education at Purdue University**, **Indiana University School of Medicine**—Evansville, **Center for Medical Education**, **Indiana University School of Medicine**—South Bend, **Center for Medical Education**, **Indiana University School of Medicine**—Terre Haute, **Center for Medical Education at Indiana State University**, and **Indiana University School of Medicine**—Muncie. **Center for Medical Education at Ball State University**."

Page 127, between lines 35 and 36, begin a new paragraph and insert:

"SECTION 86. IC 21-1-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) The Indiana state board of education is authorized to advance money to school corporations and school townships from the common school fund to be used for school building construction and educational technology programs as provided in this chapter.

(b) As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation or school township:

- (1) that sustained loss by fire, wind, cyclone, or other disaster of all or a major portion of a school building or school buildings;
- (2) whose assessed valuation per pupil ~~ADA~~ **ADM** is within the lowest forty percent (40%) of the assessed valuation per pupil ~~ADA~~ **ADM** when compared to all school corporation or school township assessed valuation per pupil ~~ADA~~ **ADM**; or
- (3) with an advance under this chapter outstanding on July 1, 1993, that bears interest at least seven and one-half percent



(7.5%).

However, as used in this chapter, the term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

(c) As used in this chapter, "educational technology program" means the purchase, lease, or financing of educational technology equipment, the operation of the educational technology equipment, and the training of teachers in the use of the educational technology equipment."

Page 141, line 32, delete "the STEP SEVEN result from".

Page 141, line 32, delete "(1.25)." and insert "**(1.25) from the STEP SEVEN result.**".

Page 142, line 33, strike "Determine the result under clause (B) of the following formula:" and insert "**Multiply**".

Page 142, strike line 34.

Page 142, line 35, strike "(i)".

Page 142, run in lines 33 through 35.

Page 142, line 36, delete "(\$4,370);" and insert "**(\$4,370)**".

Page 142, line 36, strike "multiplied".

Page 142, line 37, strike "(ii)".

Page 142, run in lines 36 through 37.

Page 142, strike lines 39 through 40.

Page 143, line 28, delete "four thousand three hundred seventy dollars (\$4,370)." and insert "**the STEP ONE amount.**".

Page 151, between lines 28 and 29, begin a new paragraph and insert:

"SECTION 117. [EFFECTIVE JULY 1, 2005] **(a) Effective July 1, 2005, the names of the following programs, centers, and schools are changed as follows:**

**(1) The name of the Bloomington Medical Sciences Program is changed to Indiana University School of Medicine-Bloomington.**

**(2) The name of Indiana University School of Medicine is changed to Indiana University School of Medicine-Indianapolis.**

**(3) The name of Muncie Center for Medical Education at Ball State University is changed to Indiana University School of Medicine-Muncie.**

**(4) The name of Terre Haute Center for Medical Education at Indiana State University is changed to Indiana University School of Medicine-Terre Haute.**

**(5) The name of Lafayette Center for Medical Education at Purdue University is changed to Indiana University School of Medicine-Lafayette.**

**(6) The name of Evansville Center for Medical Education is changed to Indiana University School of Medicine-Evansville.**

**(7) The name of Fort Wayne Center for Medical Education**



is changed to Indiana University School of Medicine-Fort Wayne.

(8) The name of South Bend Center for Medical Education is changed to Indiana University School of Medicine-South Bend.

(9) The name of Northwest Center for Medical Education at Gary is changed to Indiana University School of Medicine-Northwest.

(b) A reference to the former name described in subsection (a) in any law, rule, or document shall be treated after June 30, 2005, as a reference to the new name given to the program, center, or school by subsection (a).

(c) The legislative council shall provide for the preparation of legislation to change the references in all laws to the programs, centers, and schools described in subsection (a).".

Renumber all SECTIONS consecutively.

(Reference is to HB 1001 as printed February 15, 2005.)

ESPICH

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SENATE MOTION

Madam President: I move that Senator Kenley be removed as second sponsor of Engrossed House Bill 1001.

KENLEY

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SENATE MOTION

Madam President: I move that Senator Simpson be added as second sponsor of Engrossed House Bill 1001.

MEEKS

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SENATE MOTION

Madam President: I move that Senators Kenley and Hume be added as cosponsors of Engrossed House Bill 1001.

MEEKS



## COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1001, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1001 as reprinted February 18, 2005.)

MEEKS, Chairperson

Committee Vote: Yeas 7, Nays 4.

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## SENATE MOTION

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 8, delete line 40.

Page 8, delete line 42.

Page 8, line 48, before "fund. The" insert "**public defense**".

Page 8, line 48, after "from the" insert "**public defense**".

Page 8, line 48, after "fund." insert "**Any balance in the public defense fund is appropriated to the public defender commission.**".

Page 17, between lines 31 and 32, begin a new line block indented and insert:

**"H. COMMUNITY SERVICES**

**FOR THE GOVERNOR'S OFFICE OF FAITH BASED  
& COMMUNITY INITIATIVES**

**Personal Services**

**263,974**

**264,340**

**Other Operating Expense**

**76,869**

**76,869".**

Page 45, line 20, delete:

"3,700,000

3,700,000"

and insert

**"3,750,000**

**3,750,000".**

Page 45, delete lines 22 through 23, begin a new line blocked left and insert:

**"The foregoing appropriations for Clean Water Indiana may be allotted only if there is an appropriation from the cigarette tax**



**for Clean Water Indiana. Augmentation allowed."**

Page 45, line 25, delete "- T BY 2000".

Page 45, delete lines 27 through 28 and insert:

**"Total Operating Expense**

**1,968,750**

**1,968,750".**

Page 45, line 47, delete "COMMUNITY DEVELOPMENT ADMINISTRATION" and insert **"OFFICE OF RURAL AFFAIRS"**.

Page 47, delete lines 31 through 36.

Page 47, line 38, delete "D." and insert "C.".

Page 48, line 4, delete "E." and insert **"D."**.

Page 57, line 27, delete "Sixty-six percent (66%) of the" and insert **"The federal share of"**.

Page 57, line 28, delete "IC 12-15" and insert **"IC 12-15, based on the applicable Federal Medicaid Assistance Percentage (FMAP),"**.

Page 57, line 28, after "IC 12-24-14-1," insert **"and the remainder shall be deposited in the general fund."**.

Page 57, delete lines 29 through 30.

Page 58, delete lines 40 through 49.

Page 59, delete lines 1 through 3.

Page 59, delete lines 7 through 22.

Page 59, line 48, delete "three (3)" and insert **"four (4)"**.

Page 62, line 7, delete "Sixty-six percent (66%) of the" and insert **"The federal share of"**.

Page 62, line 7, delete "above named".

Page 62, line 8, delete "IC 12-15" and insert **"IC 12-15, based on the applicable Federal Medicaid Assistance Percentage (FMAP),"**.

Page 62, line 8, after "under" insert **"IC 12-24-14, and the remainder shall be deposited in the general fund."**.

Page 62, delete lines 9 through 10.

Page 62, between lines 44 and 45, begin a new paragraph and insert:

**"YOUTH SERVICE BUREAU**

**Total Operating Expense**

**1,250,000**

**1,250,000**

**The department of child services shall establish standards for youth service bureaus. Any youth service bureau that is not an agency of a unit of local government or is not registered with the Indiana secretary of state as a nonprofit corporation shall not be funded. The department of child services shall fund all youth service bureaus that meet the standards as established June 30, 1983. However, a grant may not be made without approval by the budget agency after review by the budget committee.**

**PROJECT SAFEPLACE**



**125,000**

Page 63, between lines 11 and 12, begin a new paragraph and

## "SOCIAL SERVICES BLOCK GRANT (SSBG)

## Total Operating Expense

**20,863,880** **20,864,042**

**The funds appropriated above to the social services block grant are allocated in the following manner during the biennium:**

## Division of Disability, Aging, and Rehabilitative Services

1,030,877                      1,030,877

## Division of Family Resources

12,725,150 12,725,150

## Department of Child Services

5,515,999                      5,516,161

**Department of Health**

296,504 296,504

# Department of Correction

1,295,350                      1,295,350".

Page 80, line 37, after "and" insert "**a**".

Page 80, line 37, after "school" insert **"accredited under IC 20-19-2-8"**.

Page 80, line 46, after "schools" insert "**accredited under IC 20-19-2-8**".

Page 82, delete lines 44 through 49, begin a new line blocked left and insert:

**"If the amount actually required under the pre-1996 account of the teachers' retirement fund for actual benefits for the Post Retirement Pension Increases that are funded on a "pay as you go" basis plus the base benefits under the pre-1996 account of the teachers' retirement fund is:**

- (1) greater than the above appropriation for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the general fund. Any augmentation shall be included in the required pension stabilization calculation under IC 21-6.1-2; or**
- (2) less than the above appropriation for a year, the excess shall be retained in the general fund.**

**The portion of the benefit funded by the annuity account and the actuarially funded Post Retirement Pension Increases shall not be part of this calculation."**



Page 83, delete lines 1 through 8.

Page 89, line 32, delete "1,332,000" and insert "**3,562,500**".

Page 89, line 44, delete "512,686,749" and insert "**514,917,249**".

Page 93, line 13, delete "1,332,000" and insert "**3,562,500**".

Page 99, delete lines 15 through 48.

Page 100, delete lines 1 through 40.

Page 108, between lines 1 and 2, begin a new paragraph and insert:

"SECTION 54. IC 5-11-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. There is established a state board of accounts. The board consists of the state examiner and two (2) deputy examiners as provided in this section. The principal officer of the board is the state examiner, who shall be appointed by the governor ~~and who shall hold office~~ for a term of four (4) years from the date of appointment. **However, the state examiner serves at the pleasure of the governor.** The state examiner must be a certified public accountant with at least seven (7) consecutive years of active experience as a field examiner with the state board of accounts that immediately precedes the appointment as state examiner. The governor shall also appoint two (2) deputy examiners, who must have the same qualifications as the state examiner, be of different political parties, and be subordinate to the state examiner. The deputy examiners shall be appointed for terms of four (4) years. **However, the deputy examiners serve at the pleasure of the governor. In addition,** the state examiner and the deputy examiners are subject to removal by the governor for incompetency or for misconduct of the office, after a hearing upon due notice and upon stated charges in writing. An appeal may be taken by the officer removed **for incompetency or for misconduct** to the circuit or a superior court of Marion County."

Page 110, line 29, delete "IC 21-3-1.7-5)." insert "**IC 21-3-1.7-5), but before the reductions in IC 21-3-1.7-5.**".

Page 119, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 65. IC 6-3.1-21-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires December 31, ~~2005~~. **2011.**".

Page 124, delete lines 13 through 48.

Page 125, delete lines 1 through 42.

Page 126, line 1, delete "two hundred fifty thousand dollars (\$250,000)," and insert "**five hundred thousand dollars (\$500,000).**".

Page 126, line 5, after "(5)" insert "**except as provided in subsection (c).**".

Page 126, between lines 13 and 14, begin a new paragraph and insert:

**"(c) An area agency on aging may determine that an individual is presumptively ineligible for Medicaid and eligible**





for the program under this chapter and begin to provide services. However, the individual shall apply for the Medicaid program regardless of the presumptive eligibility determination by the area agency on aging. If the individual is later determined to be eligible for Medicaid, the individual is no longer eligible for the program and shall be transferred to the Medicaid program.

**(d) An individual who is unable to perform two (2) activities of daily living and who:**

**(1) does not meet the requirements of subsection (a)(4) through (a)(5);**

**(2) meets the requirements of subsection (a)(1) through (a)(3); and**

**(3) has a condition that:**

**(A) is expected by the individual's treating physician to last not more than six (6) months; and**

**(B) causes the individual to need assistance;**

**may receive services under the program for a period, not to exceed six (6) consecutive months, during which the individual has the condition and is unable to perform the activities described in subdivision (3)."**

Page 126, line 16, delete "chapter that do not exceed the" and insert "**chapter**".

Page 126, delete lines 17 through 18.

Page 128, between lines 36 and 37, begin a new line block indented and insert:

**"(24) Chiropractic services under IC 25-10-1 for a recipient who is at least twelve (12) years of age."**

Page 133, line 38, delete ":".

Page 133, line 39, delete "(A)".

Page 133, line 39, reset in roman "appropriate,".

Page 133, line 39, delete "possible for a child who is less than nineteen (19) months".

Page 133, delete lines 40 through 41.

Page 133, run in lines 38 through 42.

Page 133, delete lines 46 through 48.

Page 134, line 24, delete "child" and insert "**family**".

Page 134, line 47, delete "The copayment".

Page 134, delete line 48.

Page 135, delete lines 1 through 3.

Page 135, between lines 21 and 22, begin a new paragraph and insert:

**"(f) The budget agency shall annually report to the health finance commission and the budget committee the following information concerning the funding of the program under this chapter:**

**(1) The total amount billed to a federal or state program each state fiscal year for services provided under this chapter, including the following programs:**



- (A) Medicaid.
- (B) The children's health insurance program.
- (C) The federal Temporary Assistance to Needy Families (TANF) program (45 CFR 265).
- (D) Any other state or federal program.
- (2) The total amount billed each state fiscal year to an insurance company for services provided under this chapter and the total amount reimbursed by the insurance company.
- (3) The total copayments collected under this chapter each state fiscal year.
- (4) The total administrative expenditures.

The report must be submitted before September 1 for the preceding state fiscal year in an electronic format under IC 5-14-6."

Page 137, delete lines 17 through 48.

Page 138, delete lines 1 through 2.

Page 144, delete lines 9 through 11.

Page 144, delete lines 18 through 20.

Page 164, line 47, delete "IC 21-3-1.7-8.2" and insert "STEP ONE of IC 21-3-1.7-8.2(c) for 2005 and STEP ONE of IC 21-3-1.7-8.2(a) for 2006 and 2007)".

Page 165, delete lines 17 through 21, begin a new line block indented and insert:

"~~STEP TEN~~ **NINE: A school corporation's STEP NINE amount is the following:**

(A) If the amount the school corporation received under this chapter in the previous calendar year is greater than zero (0), ~~determine the STEP NINE amount is~~ the lesser of:

~~(A)~~ (i) the STEP ~~NINE~~ **EIGHT** amount; or

~~(B)~~ (ii) the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).

(B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the STEP NINE amount is the STEP EIGHT amount."

Page 166, line 1, after "fund." insert "The governing body may transfer the amount levied to cover unreimbursed costs of textbooks under subdivision (7) to the textbook rental fund or extracurricular account."

Page 166, line 47, after "exceed" insert ",."

Page 166, line 47, strike "the following:" and insert "for the period beginning July 1, 2005, and ending June 30, 2007:".

Page 166, line 48, strike "For the period beginning July 1,".

Page 166, line 48, delete "2005,".

Page 166, line 48, strike "and ending June 30,".

Page 166, line 48, delete "2006,".



Page 167, line 3, delete "last".  
 Page 167, line 4, delete "annual".  
 Page 167, line 4, delete "distribution." and insert **"distribution for the state fiscal year ending June 30, 2004; multiplied by (2) two (2)."**  
 Page 167, line 5, strike "(2) For the period beginning July 1,".  
 Page 167, line 5, delete "2006,".  
 Page 167, line 5, strike "and ending June 30,".  
 Page 167, line 5, delete "2007,".  
 Page 167, line 5, strike "the product of:".  
 Page 167, strike lines 6 through 7.  
 Page 167, line 11, delete "has" and insert **"had"**.  
 Page 167, line 11, delete "2006" and insert **"2003"**.  
 Page 180, delete lines 26 through 40, begin a new line triple block indented and insert:

**"(i) The school corporation's STEP ONE amount, if the absolute value of the STEP THREE amount is less than or equal to fifty dollars (\$50).**

**(ii) The sum of the school corporation's STEP TWO amount and the greater of the school corporation's STEP FOUR amount or fifty dollars (\$50), if the school corporation's STEP THREE amount is greater than fifty dollars (\$50).**

**(iii) The difference determined by subtracting the greater of the absolute value of the school corporation's STEP FOUR amount or fifty dollars (\$50) from the school corporation's STEP TWO amount, if the school corporation's STEP THREE amount is less than negative fifty dollars (-\$50)."**

Page 184, line 36, delete "result for the school corporation under section 6.7(c)".  
 Page 184, line 36, reset in roman "amount;".  
 Page 184, line 36, delete "of this".  
 Page 184, delete line 37.  
 Page 184, line 38, delete "the current year;".  
 Page 186, delete lines 10 through 39, begin a new paragraph and insert:

**"SECTION 181. IC 21-6.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board shall segregate the fund into the following accounts:**

- (1) The pre-1996 account.**
- (2) The 1996 account.**

**(b) The board shall segregate each of the accounts established under subsection (a) into the following subaccounts:**

- (1) The annuity savings account.**
- (2) The retirement allowance account.**

**(c) Except as provided in subsection (d), member contributions shall be credited to the annuity savings accounts within the pre-1996**



account.

(d) Member contributions made after June 30, 1995, with respect to the following members shall be credited to the annuity savings account within the 1996 account:

(1) ~~★ An individual who first became a member who was hired of the fund after June 30, 1995. by a school corporation or other institution covered by the fund.~~

(2) A member who:

(A) before July 1, 1995, served in a position covered by the fund; and

(B) after June 30, 1995, and before July 1, ~~2001~~, **2005**, was hired by another school corporation or institution covered by the fund or rehired by a prior employer.

(3) A member described in subdivision (2) who, after June 30, ~~2001~~, **2005**, is hired by another school corporation or institution covered by the fund or rehired by a prior employer.

(e) Member contributions made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the annuity savings account within the 1996 account.

(f) Employer contributions made after June 30, 1995, with respect to members described in subsection (d) shall be credited to the retirement allowance account within the 1996 account. Employer contributions made after June 30, 1995, with respect to all other members shall be credited to the retirement allowance account within the pre-1996 account.

~~(g) Employer contributions, if any (as determined by the board), made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the retirement allowance account within the 1996 account.~~

~~(h)~~ (g) The board shall administer these accounts and subaccounts as specified in IC 5-10.2-2."

Page 194, delete lines 47 through 48.

Page 195, delete lines 1 through 24.

Page 197, between lines 38 and 39, begin a new paragraph and insert:

"SECTION 198. IC 33-33-48-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 7.5. (a) The judges of the Madison superior court may jointly appoint one (1) full-time magistrate under IC 33-23-5 to serve the superior court.**

**(b) The magistrate continues in office until removed by the judges of the superior court.**

SECTION 226. IC 33-33-62-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Perry County constitutes the seventieth judicial circuit.

(b) The Perry circuit court has a standard small claims and misdemeanor division.

**(c) The judge of the Perry circuit court may appoint one (1)**



**full-time magistrate under IC 33-23-5. The magistrate continues in office until removed by the judge.**

SECTION 227. IC 33-33-84-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. There is established a court of record to be known as the Vigo superior court. The superior court has ~~four~~ **(4) five (5)** judges who shall hold their office for six (6) years and until their successors have been elected and qualified."

Page 198, delete line 6.

Page 198, delete lines 9 through 10.

Page 199, line 1, delete "(4)(A)." and insert "4."

Page 199, delete lines 3 through 14.

Page 201, line 17, delete "Preventative" and insert "**Diagnostic and preventative**".

Page 201, line 18, delete "Fillings." and insert "**Direct restorations.**

**(C) Treatment of lesions.**

**(D) Extractions.**

**(E) Periodontal treatment for pregnant women."**

Page 201, line 19, delete "(C)" and insert "(F)".

Page 201, delete lines 35 through 36.

Page 205, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 228. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding IC 12-17-15-17, as amended by this act, the budget agency shall submit a report to the health finance commission established by IC 2-5-23 and the budget committee containing the following information concerning the funding for the infants and toddlers with disabilities program under IC 12-17-15:**

**(1) The total amount billed to a federal or state program in state fiscal year 2004 for services provided under the infants and toddlers with disabilities program, including amounts billed to the following programs:**

**(A) Medicaid.**

**(B) The children's health insurance program.**

**(C) The federal Temporary Assistance to Needy Families (TANF) program (45 CFR 265).**

**(D) Any other state or federal program.**

**(2) The total amount billed in state fiscal year 2004 to an insurance company for services provided under the infants and toddlers with disabilities program and the total amount reimbursed by the insurance company.**

**(3) The total copayments collected for the infants and toddlers with disabilities program in state fiscal year 2004.**

**(4) The total administrative expenditures for state fiscal year 2004.**

**The report required under this SECTION must be submitted in**



an electronic format under IC 5-14-6 before September 1, 2005.

(b) This SECTION expires January 1, 2006.

SECTION 228. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "program" refers to the community and home options to institutional care for the elderly and disabled (CHOICE) program established by IC 12-10-10.

(b) The office of the secretary of family and social services shall submit the following information in electronic format under IC 5-14-6 to the legislative services agency not later than July 15, 2005, concerning the program for fiscal year 2005:

(1) The total number of individuals participating in the program.

(2) The total expenditures for the program.

(3) Information concerning each individual participating in the program, including the following:

(A) The number of activities of daily living (ADL) that an individual is unable to perform.

(B) The individual's monthly income and any deductions by source.

(C) The amount of assets reported by the individual, as determined by the division.

(D) The services provided to the individual.

(E) The cost of each service provided to the individual.

(F) The copayment, if any, that the individual is required to pay and the amount paid by the individual.

(G) Whether the individual participates in a Medicaid waiver or is Medicaid eligible.

(H) The county and the area agency on aging region in which the individual resides.

(4) The reimbursement rate for services provided under the program for each area agency on aging region in the preceding fiscal year.

(5) The number of individuals on a waiting list for the program and any services being received by the individual from the state while the individual is on the waiting list.

(c) The legislative services agency shall review the information submitted under this SECTION and compile a report determining the compliance of the submitted information with the requirements of this SECTION. The report must be submitted to the health finance commission established by IC 2-5-23 and the budget committee not later than September 1, 2005.

(d) This SECTION expires December 31, 2005.

SECTION 229. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding IC 33-33-84-3, as amended by this act, the Vigo superior court is not expanded to five (5) judges until January 1, 2006.

(b) The governor shall appoint a person under IC 3-13-6-1(c)



to serve as the initial judge added to the Vigo superior court by IC 33-33-84-3, as amended by this act.

(c) The term of the initial judge appointed under subsection (b) begins January 1, 2006, and ends December 31, 2006.

(d) The initial election of the judge of the Vigo superior court added by IC 33-33-84-3, as amended by this act, is the general election in November 2006. The term of the initially elected judge begins January 1, 2007.

(e) This SECTION expires January 2, 2007."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed April 1, 2005.)

MEEKS

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#### SENATE MOTION

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 121, between lines 22 and 23, begin a new paragraph and insert:

"SECTION 67. IC 8-22-3.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) As used in this section, "base assessed value" means:

(1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter, **notwithstanding the date of the final action taken under section 6 of this chapter**; plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body



entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

- (1) the assessed value of the tangible property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) ~~Except as provided in subsection (f), all remaining~~ **The commission may determine that a portion of** tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds of the airport authority for a qualified airport development project, ~~or to the payment of leases for a qualified airport development project, or to the payment of principal and interest on bonds issued by an eligible entity to pay for qualified airport development projects in the airport development zone or serving the airport development zone.~~

(3) ~~Except as provided in subsection (f), all remaining~~ **tax proceeds after allocations are made under subdivisions (1) and (2) shall be allocated to a project fund and dedicated to the reimbursement of expenditures made by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.**

(f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the ~~debt service project~~ **fund in subsection (e)(3)** exceed the amount necessary to

- (1) ~~pay principal and interest on airport authority revenue bonds;~~
- (2) ~~pay lease rentals on leases of a qualified airport development project; or~~
- (3) ~~create, maintain, or restore a reserve for airport authority~~





revenue bonds or for lease rentals or leases of a qualified airport development project;

**satisfy amounts required under subsection (e), the excess in the project fund** over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund **and in the project fund** is sufficient to pay all outstanding principal and interest (to the earliest date on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects, **and all lease rentals payable on leases of qualified airport development projects, and all costs and expenditures associated with all qualified airport development projects,** money in the debt service fund **and in the project fund** in excess of ~~that amount~~ **those amounts** shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the tangible property as valued without regard to this section; or
- (2) the base assessed value."

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed April 1, 2005.)

ROGERS



## SENATE MOTION

Madam President: I move that Engrossed House Bill 1001 be amended to read as follows:

Page 112, after line 48, begin a new paragraph and insert:

"SECTION 58. IC 6-1.1-20.6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

### **Chapter 20.6. Local Homestead Credits**

**Sec. 1. As used in this chapter, "revenue" includes revenue received by a political subdivision under any law or from any person.**

**Sec. 2. (a) A political subdivision may adopt an ordinance each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads eligible for the state homestead credit under IC 6-1.1-20.9. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.**

**(b) A homestead credit under this chapter is to be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.**

**(c) A homestead credit under this chapter does not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.**

**Sec. 3. An ordinance adopted under this chapter must provide for a homestead credit that is either a uniform:**

**(1) percentage of the net property taxes due on the homestead after the application of all other deductions and credits; or**

**(2) dollar amount applicable to each homestead.**

**The ordinance must specify the percentage or the dollar amount.**

**Sec. 4. (a) If an ordinance is adopted under this chapter, the county auditor shall, for the calendar year in which a homestead credit is authorized under this chapter, retain from the property tax distributions to the political subdivision the amount necessary so that no other civil taxing unit or school corporation in the county suffers a net revenue loss because of the allowance of the homestead credit.**

**(b) The county auditor shall then distribute the revenue used to offset the homestead credit to the political subdivision. This amount of revenue shall be allocated by the political subdivision as if the money were from property tax collections."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed April 1, 2005.)

MRVAN

